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The weather at major Swissair destinations

	20.12.83	MIN.	MAX.	C F C F
AMSTERDAM	5 41	10 50	Cloudy	
BRUSSELS	4 40	10 50	Cloudy	
BUEENOS AIRES	20 60	30 86	Cloudy	
CHICAGO	11 12	7 19	Cloudy	
COPENHAGEN	5 41	9 48	Cloudy	
FRANKFURT	1 38	9 48	Cloudy	
GENEVA	2 28	8 48	Cloudy	
HELSINKI	1 34	3 37	Cloudy	
HONG KONG	9 68	11 82	Cloudy	
JOHANNESBURG	13 56	23 73	Cloudy	
LONDON	9 48	15 50	Cloudy	
MADRID	7 45	9 48	Cloudy	
MONTREAL	7 19	0 32	Snow	
NEW YORK	2 28	13 35	Cloudy	
OSLO	1 34	7 45	Cloudy	
PARIS	5 41	8 48	Cloudy	
RIO DE JANEIRO	20 60	30 86	Cloudy	
SAO PAULO	18 64	27 80	Cloudy	
STOCKHOLM	2 28	4 38	Cloudy	
TOKYO	9 68	11 82	Cloudy	
TORONTO	5 41	9 48	Cloudy	
VIENNA	6 43	9 48	Cloudy	
ZURICH	3 27	7 45	Cloudy	

* For the latest weather conditions, contact Swissair.

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Jerusalem, 30 Jaffa St. (02) 2252 33
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THE WEATHER

Forecast: Partly cloudy to fair
Outlook for Sabbath: No change

	Yesterday's	Min-Max	Today's
	Humidity		Max
Jerusalem	55	9-15	15
Golan	55	9-15	15
Nablus	72	9-20	20
Safed	75	8-14	14
Haifa Port	77	14-19	19
Tiberias	77	10-19	19
Nazareth	77	10-19	19
Afula	61	5-21	21
Shomron	50	8-17	17
Tel Aviv	77	10-18	18
B-G Airport	58	7-20	20
Jericho	40	8-22	22
Beer Sheva	78	9-18	18
Beersheba	40	4-20	20
Eilat	44	8-22	23

SOCIAL & PERSONAL

The Israel Advertisers Association at its annual general meeting last week elected its chairman and board of directors for 1984 and the new board assigned the following functions to its members:

Benny Gado, general manager of Co-op, chairman; **Alex Alon**, general manager of Teta (A), deputy chairman and chairman of the press committee; **Dan Bilro**, general manager of Tel Zor, treasurer; **Elizur Ofek**, general manager of Delta Marketing, chairman of the professional-training committee; **Michael Borox**, marketing manager of Telma, chairman of the research committee; **Meir Maor**, marketing manager of Tova, chairman of the administration committee; **Avraham Ben-Moshe**, general manager of Shalom Stores, chairman of the public-relations committee; **Amram Tzur**, assistant general manager of Me'agari Bnaya, chairman of the ethics and consumerism committee; **Bruno Landenberg**, general manager of Sano, chairman of the television advertising committee; **David Kender**, advertising manager of Tamboor, chairman of the cinema and outdoor advertising committee; **Haim Lieber**, manager of Elite, chairman of the radio advertising committee; **Ya'acov Bahouth**, general manager of Hertz, chairman of the internal-control committee; and the former association chairman **Ya'acov Reem**, general manager of Champion Motors. Bronsław Thau will continue as general manager of the association.

Meshel raps Orgad plan to cut wages

By JOSHUA BRILLIANT
Jerusalem Post Reporter

TEL AVIV. — Histadrut Secretary-General Yehoram Meshel yesterday warned the cabinet not to endorse the measures Finance Minister Yigal Cohen-Orgad is expected to propose today.

"It will not come to pass," he vowed to applauding Solei Boneh workers in Zichron Ya'acov. "The State of Israel and its economy will not be saved by reducing pay and hurting workers," he said, referring to the plan to cut wages by 12 per cent next year and to reduce private consumption by 8 to 10 per cent.

Meshel went on to strongly condemn the "trend to deepen unemployment and lead the country to a very dangerous recession."

Cohen-Orgad's statements and his "brazen disregard" for past agreements have already shaken the entire economy, Meshel continued. He recalled that contrary to recent undertakings by former Finance Ministry director-general Ezra Sadan on behalf of Cohen-Orgad, the government has not updated the value of income-tax credit points and children's allowances, so part of the recent cost-of-living advance will be absorbed by taxation.

Prime Minister Yitzhak Shamir's apparent backing of Cohen-Orgad's "faust policy" is likely to make things worse, Meshel warned.

KIBBUTZ SYNAGOGUE. — A synagogue was dedicated Wednesday at Kibbutz Kfar Hahoreh in Galilee by members of the Mesorati (Conservative) Movement, who are undergoing training there for the settlement of Hanaton.

HOME NEWS

First such case for Israeli Arabs

Jurists surprised by double death sentence

By DAVID RICHARDSON
Jerusalem Post Reporter

The unprecedented death sentence pronounced this week on two Israeli Arabs convicted of murdering a soldier has stunned the defendants' home communities and caused sharp debate among Israeli legal experts.

The two young members of the prominent Yunis clan in the twin villages of Ara and Ar'ara in the Triangle north of Hadera are the first Israelis ever to be sentenced to death here.

Maher and Karim Yunis were found guilty by the Lod Military Court of the premeditated murder of Avraham Bromberg in November, 1980 and on Tuesday were sentenced to die by hanging.

The president of the court, Aluf-Mishne Aharon Alpern, had ordered that the trial be conducted in camera and had stipulated that even the sentence was to remain secret. He was apparently overruled at the highest levels in the defence establishment.

The three judges — Alpern, Sgan-Aluf Oded Modrik and Sgan-Aluf Bluer — handed down the death sentence even though the military prosecutor had not requested it.

The sentence, which radically departs from long-standing policy, and the attempt to keep it secret, have brought sharp criticism from some of the most senior judicial and legal figures in the country. The entire question is to be discussed between the justice ministry and the

Israel Defence Forces judge-advocate-general.

Attorney-General Yitzhak Zamir said last night that when the question of the death penalty was raised in the past, it had always been discussed with him. He assumed that this had not occurred in this trial because the initiative to pass the sentence had not come from the IDF military prosecutor but from the judges themselves.

(Since the creation of the state only three persons have been sentenced to death. Adolf Eichmann was hanged for war crimes, and one of the first Palestinian terrorists caught following the 1967 war, Ahmed Hijazi, had his death sentence commuted to life imprisonment; and in 1948 a Hagana officer, Meir Tobiansky, was shot as a spy after being convicted by a summary court martial.)

The court found that the two men, both in their mid-twenties, had been recruited to join Fatah and ordered to kill a soldier. They picked up Bromberg on the night of November 26, 1980 as he was hitchhiking home to his family in near-Zichron Ya'akov. Maher, who was sitting in the back seat of the car while Karim drove, shot the young corporal in the back of the neck with a pistol. They pushed him out of the car after stealing his automatic rifle.

The police detained both men in February last year.

Yesterday, the families of both young men alleged that their confessions had been extracted by torture.

Both villages, which straddle the main road between Hadera and Afula, were stunned and resentful yesterday following the publication of the sentences.

Karim's house, set back from a small agricultural track and surrounded by hothouses with a crop of winter cucumbers, was shuttered. Inside his family were clearly in mourning.

Almost all speak near-perfect Hebrew. His sister is studying at the nearby Pardess Hana high school, and while one of the largest pictures in the lounge is a popular Palestinian nationalist poster, all of the books on the shelf are Hebrew encyclopedias and novels.

Wherever one went in the two villages, people repeated that while they were outraged by the sentences they also denounced the murder.

"Even though we do not accept the sentence we condemn the murder, especially of a soldier by people from our village," said Mohammed Yunis, the chairman of the Ar'ara local council. "All of us, especially the Yunis family, have constantly worked for coexistence."

Mahmoud Yunis, another clan member, said, "We live as a minority within a majority. This is a problem for both sides, but the Jews can always express themselves more freely. Whatever happens, I, my family and my society have to constantly prove our loyalty to the state."

Younger people in the villages had no doubt that similar sentences would not have been passed on Jews. But no one could explain

what brought Maher and Karim to murder a soldier.

"In 1980 I worked daily with both of them at an agricultural machinery plant in Binyamina," said Ziad Yunis, 23. "We were close friends and if anyone should have known what they thought it should have been me. But it was never even discussed."

Lawyers representing the two men are to appeal against the decision and the sentence to the military appeals court. Even if this court upholds the sentence it still has to be confirmed by the chief of staff.

Legal circles and military sources could not explain why the judges departed from the long-standing policy on the death sentence and why they had tried to keep it secret.

An IDF spokesman said last night that since the entire proceedings and the sentence were declared secret he was legally forbidden to comment on or explain the court's decision.

The decision to place Israeli citizens on trial before a military court was also criticized by senior judicial circles. However, military and legal sources explained that this was common practice in cases involving terrorist activity, and that it had been recently upheld by the High Court of Justice.

Communications Minister Mordechai Zipori said yesterday that the sentence will be brought before the cabinet, and he will call for it to be implemented. He was speaking at the opening of a new telephone exchange at Moshava Kinneret.

El Al lost \$123 million in 1982/83

Jerusalem Post Reporter

TEL AVIV. — El Al lost a record \$123 million in the 1982/83 fiscal year, according to the balance sheet to be made public next Thursday.

A well-placed source told *The Jerusalem Post* that the company's operational loss totalled \$45m. El Al lost \$46m. more when it was grounded as a result of a four-month strike over attempts to introduce drastic changes to improve finances. The remaining \$32m. went on giving workers who quit the airline more than 100 per cent compensation, the source said. Some 1,000 employees left El Al during the year.

Senior sources maintained, however, that the outlook for the year ending March 31, 1984, is much brighter. An interim report shows an \$8m. operational profit, which can be credited to last summer's tourism boom.

It is expected that there will, in fact, be an operational loss of between \$15m. and \$25m. for 1983/84. Part of that is reportedly the result of the cessation of Shabbat flights, although the airline has tried to cut losses by flying on Saturday nights.

The sources said the figures are better also because the airline has introduced the Boeing 767, which is cheaper to operate.

Electric Corp.'s Hofi to stay in post

By DAVID RUDGE
Jerusalem Post Reporter

HAIFA. — Yitzhak Hofi, general manager of the Israel Electric Corporation (IEC), told his board of directors yesterday that he will continue in his post.

The board appointed Amos Proshan as its chairman to succeed David Haguel, who resigned earlier this week following a bitter dispute with Energy Minister Yitzhak Moda'i.

The *Jerusalem Post* was told that Proshan intends to be an active chairman, like his predecessor.

Proshan and Hofi, who have occasionally clashed at board meetings, later issued a joint statement that they will strive to cooperate for the benefit of the corporation.

Hofi announced last week at the height of the confrontation between Moda'i and Haguel that he was considering resigning.

Moda'i had demanded Haguel's dismissal on the grounds that the former chairman had been instrumental in giving generous bonuses to IEC employees. These included increased car allowances for senior staff.

Jerusalem nightclub set on fire

A Jerusalem nightclub was deliberately set on fire and destroyed early yesterday morning.

Unknown persons broke into the Genesis club, apparently through a window, at about 3:30 on Thursday morning. They set the club on fire, causing hundreds of thousands of shekels worth of damage to the club's interior.

Four fire engines and 10 firemen were called to the scene, and they

got the fire under control after one and a half hours.

Police investigators later found a can of kerosene outside the nightclub.

It is thought that the blaze was started by persons with some argument with the club's management. The club has been set on fire twice before, in 1981 and early this year.

Woman, 75, killed crossing Haifa street

HAIFA (Itim). — A pedestrian, Clara Goldberg, 75, was run over and killed by a commercial vehicle while crossing Rehov Yaffo in the lower town yesterday morning. The woman, who lived in the Ein Dor section of Neshet, did not use the pedestrian crossing to get across the road.

In Beersheba, the magistrates court yesterday fined a taxi driver, Ali Barit, 36, of Abu Sinan, near Acre, IS120,000, gave him an eight-

month jail sentence suspended, and revoked his licence for a year in addition to a three-year revocation suspended. Last Friday, Barit caused the death of Musabab Ze'in, 67, and injured Samir Abed Rabah, 17, when he hit their wagon on the Jabakia-Gaza road.

Barit admitted causing the death of Ze'in, but said in his defence that the wagon had no lights as required by law.

Sidon arrests prompt partial strike

By MENAHEM HOROWITZ
Jerusalem Post Reporter

METULLA. — The southern Lebanon city of Sidon was hit by a partial commercial strike yesterday, following the arrest of 15 local residents, including two religious leaders.

Leaflets distributed in the city

called on Sidonians to stop normal work, and last night emergency meetings were scheduled to discuss the arrests. During the day, Israeli officers told Sidon residents that anyone in the city, even religious leaders, will be arrested if they are found inciting hostile activity against the Israel Defence Forces.

Anti-coercion group decries tombstone removal

The Israeli Movement against Religious Coercion yesterday condemned the unknown persons who removed the tombstone from the grave of Tirza Engelowitz in the Rishon LeZion Jewish cemetery.

In a statement, the organization asserted that the act also desecrates the memory of large numbers of Jews murdered in the Nazi Holocaust but who, like Engelowitz,

would not be recognized as Jews in modern Israel.

The movement has called a meeting for Saturday, January 14, in the Forest of the Six Million outside Jerusalem, to honour the memory of such people, including wives of Jewish men and their children, who were considered Jews by the Nuremberg laws and killed along with the rest of their families.

German charged with security offence

TEL AVIV (Itim). — The remand was extended yesterday of a West German, Ingo Mueller, 21, who is charged with intending to endanger the state's security and then to cross the border into Lebanon to join the PLO. The court is to decide whether to accept the prosecution request that he be kept in prison until the end of his trial.

During yesterday's hearing in the Tel Aviv District Court, the prosecution told Judge David Wallach that Mueller, formerly an East German, had been imprisoned in East Germany before being expelled

led to West Germany in May 1983. He is charged with meeting two Lebanese in Amsterdam in October and agreeing to join the PLO in South Lebanon after an act of sabotage in Israel.

He arrived in this country in November and decided to destroy pumps in a police petrol station, but he was caught in the act because he made too much noise.

The prosecution told the court that the German Embassy refused to provide Mueller with an attorney. Judge Wallach ordered that he be given a German-speaking lawyer.

'Unbalanced press reports' led Frenchman to spy for Fatah

TEL AVIV (Itim). — A French citizen accused of spying for Fatah began testifying in his own defence in district court here yesterday, saying that he was misled into an "unbalanced" view of the Arab-Israeli conflict by one-sided reports in French newspapers.

Henri Eicholtz, 26, was arrested on arrival in Israel for what he said was an innocent visit. But five years ago, he admitted, on an earlier visit, he took pictures of the Shalom Tower and Carmel Market area in Tel Aviv. In a written deposition a few months ago, he denied knowing of plans to carry out terror attacks in the region, which, according to the charges, his photographs were meant to facilitate.

In his statement to the police, Eicholtz related how he became friendly with a man named Shafik in Libya five years ago. He later travelled to Lebanon to teach French in refugee camps, and while there received training in handling explosives. The Greek ship on which he sailed to Beirut, he said, carried arms for the PLO, but was

permitted to sail after being intercepted by an Israel Navy boat when the captain said it held only civilians.

In France, the defendant obtained a new passport, without visas from the Arab countries he had visited, and put Shafik's picture on another passport belonging to someone else. The pair came to Israel, and Eicholtz stayed for a month, while Shafik sneaked across the border to Lebanon.

The Frenchman admitted receiving \$1,000 from the PLO for his expenses, but on the witness stand said he had come out of "a certain sympathy for the Palestinians." The feelings, he explained, were engendered by reporting he had read in *Le Monde* and *Liberation*, but he has since come to accept a more balanced view and regrets his actions.

Defence attorney Roland Roth argued that the photographs taken by Eicholtz showed nothing more than what can readily be seen on common picture postcards, and that he had not entered any forbidden zones.

The defendant had difficulty standing, because of injuries suffered recently in a fire in his prison cell. European diplomats have reportedly inquired into the circumstances of the fire to find out whether it might have been an intentional attempt to eliminate him.

Ha'aretz Museum 'building structures without permits

By MICHAL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — Large-scale construction work is going on at the municipal Ha'aretz Museum without building permits, senior City Hall sources charge. Municipal engineer Shmuel Penn said: "If this is so, legal action will be taken."

A senior source in Penn's department said the plans for various additions to the museum have not yet referred to the district planning and building committee. This body is the only one competent to issue a building permit.

Mayor Shlomo Lahat said he did not know that illegal building was going on at the museum, nor did he know what was being built there.

Other senior officials also admitted yesterday that they had no idea what is being built at the museum. City Hall has poured more than

IS600 million into the museum; the mayor appointed Re Zeevi museum curator.

The buildings being constructed consist of an entrance which includes a bookshop, cafeteria; an amphitheatre; restrooms and services pavilions for "handicraft" "Epochs of Eretz Yisrael," storey structure for security and a restaurant.

The "Handicraft" pavilion the restrooms are almost complete and the others are in various stages of construction.

Examination of the files that some of the building plan approved by the local planning building committees, which mended passing them on to the district body single permit for any structure files.

Rabin: Budget cuts can come only out of defence

Jerusalem Post Reporter

TEL AVIV. — The defence budget must be trimmed, Knesset Member Yitzhak Rabin (Alignment-Labour) told a meeting of the Israel-America Chamber of Commerce yesterday.

"There can be no significant cut in the state budget unless the sum allotted to defence is reduced," he said.

Explaining, Rabin said that one third of the budget goes to repaying debts, another third goes to defence and the remainder to everything else.

Rabin recalled that during the 1966 recession, when he was chief-of-staff, the then-prime minister

Levi Eshkol wanted his cut from 90 to 70 the Mirage jet fighters order France.

Rabin said he reluctantly But Israel did well in the War without them, he said. After the speech, the chafed Rabin a medalion, but interrupted the presentation, that in a similar instance once been given a Jab medalion, but his own party hounded him for a that issue. He then pulled out of his jacket pocket, the inscription — and acceptance gift. (Rabin on Lebanon —

Woman admits strangling 5-year-old

By MICHAL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — Mira Yarogan, 32, of Kiryat Ata, was remanded into custody for 15 days by the magistrates court yesterday after confessing to the murder of her five-year-old son.

She admitted strangling the boy to death before dawn yesterday at the Yarkon police station, where the two were spending the night. She told police she had strangled her son "to relieve him of his suffering."

At about 1:30 a.m. yesterday, a police patrol saw a woman and a little boy wandering in Yitzhak Sade Street. The woman told the police that she had been visiting her boyfriend in Kfar Yona prison, near Netanya, and had nowhere to spend the night.

Taking pity on the woman and child, the police took them to the Yarkon Division headquarters and gave them a room with beds and blankets for the night.

At about 3 a.m. the woman came out of the room with the boy and told the policeman on duty that she was going to the toilet. A few

minutes later she came and told the policeman she had strangled her son, to put him to rest.

The policeman called officers in the station and told the boy's dead body in the police station.

Police said yesterday Yarogan had been living Arab until he was imprisoned, that she said she was under considerable mental stress.

Soldier buried in
HAIFA (Itim). — Segen 21, was buried in the cemetery here yesterday in a military ceremony at family, friends, fellow-former teachers, and you he counselled in the Sco

Raz was killed in central on Wednesday, when his fired upon from ambush. He is survived by his Ruth and Moshe, a veteran at the Vulcan car former long-distance r Maccabi Haifa, and three siblings. Tal had recently an officers training course tillery corps.

The American Committee for the Weizmann Institute of Science

Profoundly mourns the death of

HAROLD HILL

Its Executive Vice-President and a man who showed extraordinary devotion to the Jewish people and to all Jewish causes. The American Committee for the Weizmann Institute of Science and its members will find consolation in the fact that their grief is shared by thousands of others.

The Weizmann Institute of Science

Deeply mourns the sudden passing in New York of

HAROLD HILL

Executive Vice-President of the American Committee for the Weizmann Institute and tireless Director of all Institute activities in the United States and expresses its profound sympathy to Ilana, Gadi and Alex.

We deeply mourn the sudden passing of our brother, brother-in-law and uncle

HAROLD HILL

Tarrytown, New York

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On the first anniversary of the passing of our beloved

FANNY ROSENTHAL

We shall conduct a memorial service at her graveside at the H. cemetery at 3 p.m. on Monday, January 2, 1984 (entrance Continental Hotel).

Ilse Rosenthal

We express our heartfelt condolences to

Mr. Victor Stark and Family on the death of the wife and mother

CAMILLA STARK

Nachum Lichtenberg and his

We are looking for

Helga and Inge Reichman

Herzog condemns violence, intolerance

HAIM SHAPIRO
Jerusalem Post Reporter

For spiritual leaders to exert their moral authority and influence against violence and crime from President Chaim Herzog today during his reception for the Christian communities, taking at the annual event held at Hanassi to mark the secular year, the president referred to unidentified person who left a booby-trapped grenades at a Jerusalem institution and several times this month.

Recently, we have been witness of intolerance by individuals have no place in our society, which we condemn with all the at our disposal," he said.

Responding, Greek Orthodox Archbishop Diodoros I, by tradition senior Christian cleric in Jerusalem, also spoke of violence

Police intensify search for 2 escaped rapists

MICHAEL YUDELMAN
and **DAVID RUDGE**
Jerusalem Post Reporters

Police and Border Police searching throughout the country yesterday for two rapists on the run from Ramle prison. Ads, ports and beaches were closed and every police force in the country was put on the alert as to find the two — Shlomo Shah and Salim al-Abed — intensified.

Rapists have been on the run since Wednesday. Halawah, serving a 22-year sentence for five rapes and an attempted murder, absconded from a group of fellow inmates during a tour of Haifa and Carmel.

Al-Abed, serving a nine-and-a-half-year prison term for rape and related crimes, was discovered during the 10 p.m. roll call at Ramle jail on Wednesday. Halawah had been permitted to leave the tour as he had been given leave on previous occasions. He was discovered missing when 15 prisoners and their guards returned to their bus after a short tour near Hadera.

Police sources told *The Jerusalem Post* that it was not yet known whether he had escaped during this or earlier in the tour.

After "discovering" al-Abed's escape, Ramle jail was put on alert and a thorough search of al-Abed's block was conducted. No sign of the missing man was found.

LANDSCAPE — A seminar and training centre for landscape artists is being established in Safad.


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Clip and Save



Former French president Valery Giscard d'Estaing lays a wreath yesterday on a memorial to French Jews killed by the Nazis.

Giscard 'very moved' by Yad Vashem

Former French president Valery Giscard d'Estaing said yesterday his visit to Yad Vashem had made a "very deep and moving impression" on him.

Giscard, who arrived Wednesday on a private visit that is to include talks with Israeli leaders, was received by the Yad Vashem Memorial Authority's director, Dr. Yitzhak Arad, and took part in a wreath-laying ceremony in the Hall of Remembrance. The former French president said that a people that has survived such vicissitudes

Kibbutz regains good name after 35 years

NITZANIM (Itim). — The stain Kibbutz Nitzanim in the south bore for having surrendered to the Egyptians during the War of Independence was finally removed Wednesday night.

In the course of the invasion of the newborn state of Israel by the armies of five Arab states, an Egyptian armoured force pushed northward in the direction of Tel Aviv. The invaders overran Kibbutz Yad Mordechai and on June 11 Kibbutz Nitzanim surrendered, and some of its members and fighters of the Givati Brigade were taken prisoner.

After this defeat, brigade headquarters issued a "Battle Page," entitled "The fall of Nitzanim — a failure." It was written by the brigade's cultural officer, author Abba Kovner.

Efforts of the kibbutz and of the Ha'oved Hatzioni movement to which it belonged, to get the Israel Defence Forces to erase this blot on the settlement were fruitless.

The entire matter surfaced again two weeks ago, when Shimon Avidan, who was Givati Brigade commander and sometime member of Nitzanim, appeared on a television programme. "In the footsteps of fighters

WIZO to give courses in women's self-defence

Jerusalem Post Reporter

TEL AVIV. — WIZO, in cooperation with the Maccabi sports organization, will offer self-defence courses to girls and women, following a decision Wednesday by its board of directors.

The courses are to be given at WIZO clubs around the country by Maccabi instructors. Further information may be obtained by calling WIZO's Women's Training Department at (03) 257321, extension 284 or 285.

Man held in death of his elderly parents

GAZA (Itim). — A man has been arrested here on suspicion of killing his 90-year-old father and 70-year-old mother.

The police said that on Wednesday afternoon, a Gaza resident told them that she had not seen her parents for a week. Her report

MISSING ARGENTINE JEWS

(Continued from Page One)

Of these charges link Israel's alleged inaction to its long-standing arms-sales relationship with Buenos Aires.

Angrily rebutting this claim, a high official noted that Prime Minister (then only foreign minister) Yitzhak Shamir made a high-profile *démarche* on behalf of *desaparecidos* and their families in December 1982, when the arms-sales business was burgeoning.

Shamir in fact made his visit then to Argentina conditional upon his being able to raise the *desaparecidos* issue at the highest level. This was a precedent — for a foreign statesman to intercede on behalf of individual Argentine citizens.

He submitted a list of 341 names, supplied by Jewish families in Israel and abroad. In addition, he handed over a list of 28 detainees known to be held in specific prisons.

All of the 28 were released within eight months. As for the 341 *desaparecidos*, the Argentine authorities contended in subsequent diplomatic contacts that records showed that 32 of them had left the country. They provided specific dates and specific destinations.

None of the families of the 32 had heard anything to confirm that they were safely out of Argentina. But the Argentine authorities had an answer to this: the 32 were "auto-desaparecidos." In other words, they were deliberately pretending to be disappeared-presumed-dead in order to further embarrass the Argentinian government.

The Argentinian ambassador in Tel Aviv argued that Israel should accept Buenos Aires' version of the 32 because if Argentina had sought to lie, it would have lied about a larger number of the 341 on Shamir's list.

Regarding the other 309, Argentina gave Israel no information at all.

Why was there no such high-level, high-profile Israeli intercession earlier? (Most of the kidnappings took place in the late 1970s.)

According to Menahem Karmi, head of the South America division at the Foreign Ministry, Israel was always eager to help "whenever an approach was made to us." The Israeli embassy informed the DAIA, the roof-body of Argentine Jewry, that Israel stood ready to help in whatever way it could. "We could only address ourselves to the organized community," Karmi said.

U.S. battleship crew on Haifa shore leave

HAIFA. — The 45,000-ton American battleship USS New Jersey, currently operating off the coast of Lebanon, arrived here yesterday morning for a visit of a few days.

Its stay in Haifa will enable the crew of 1,500 to get shore leave after weeks of continuous service at sea since being ordered to Lebanon by U.S. President Ronald Reagan to back up the U.S. Marines in Beirut.

Its service has included shelling shore positions with its 406-millimetre guns.

The New Jersey, the only World War II battleship still in service, has been twice renovated and spent years in mothballs before being recommissioned. It has a wide range of guns giving it impressive fire power.

14,860 dunams of forest burned down during 1983

Jerusalem Post Reporter

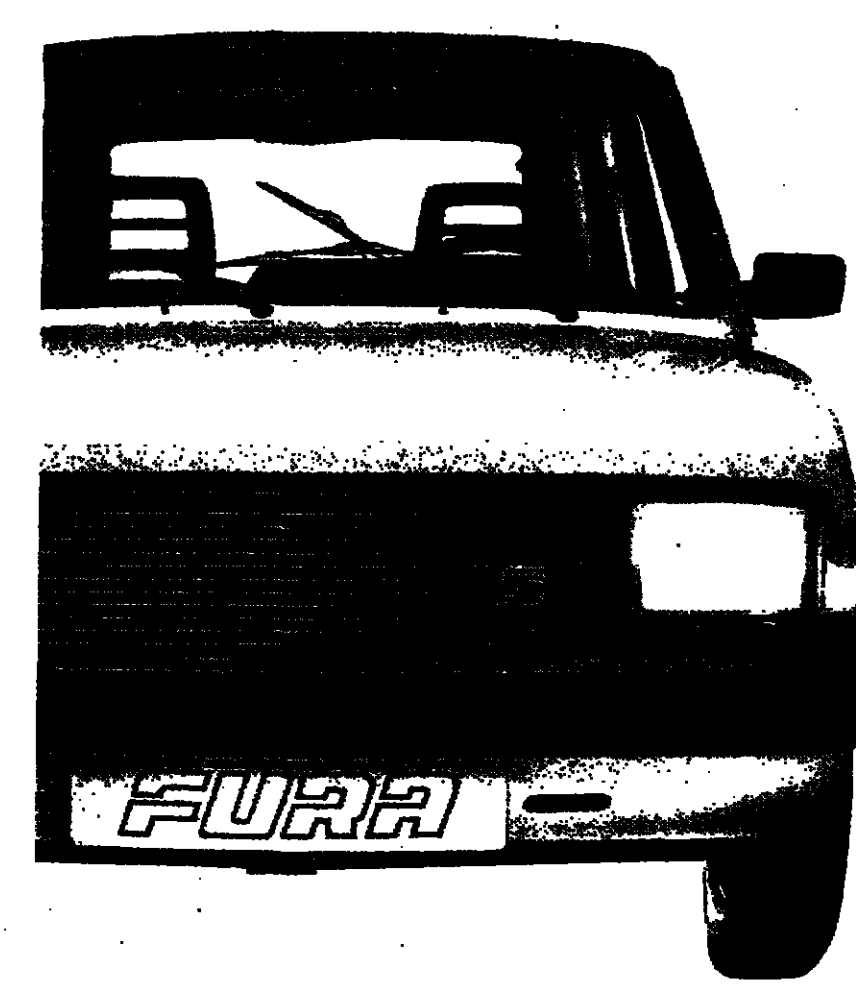
HAIFA. — This has been another bad year for the country's trees, especially in natural forests.

A total of 14,860 dunams of forest, natural and man-made, were destroyed in 662 fires during 1983, according to Jewish National Fund afforestation department figures that *The Jerusalem Post* obtained yesterday.

In 1982, there were 732 fires, in which 10,000 dunams of forests were ravaged.

A department spokesman told *The Post* that this year's particularly bad record is due in large measure to the two spectacular fires that destroyed some 4,000 dunams of trees in Mt. Carmel natural forests. There were 576 fires in planted

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IN A RECENT article which, because of its apparent timeliness, made its way into the editorial pages of *The New York Times*, Knesset member Amnon Rubinstein called for an end to all the "foolish 1984-ing" going on these days. "Orwell's inverted Utopia," wrote Rubinstein, "half a warning and half an exercise in desperate futurology, has failed to materialize." Following a cursory outline of current world affairs, Rubinstein dismissed the import of George Orwell's book out of hand, concluding that, "1984 is blissfully becoming less and less relevant."

Despite his renowned intellectual prowess, Rubinstein, in the case of 1984, has missed the point entirely. Or, rather, several points. His terminology is wrong, his reading of the novel wrong, and his grasp of the cultural significance of the very term "1984" is misguided.

In the first place, 1984 belongs to that class of fiction known as "dystopian." The word is an antonym of "utopia," and is commonly used to denote a class of model societies which are, as opposed to Utopian designs, images of a fearful and unpleasant world.

Dystopian novels are generally used as a standard of comparison, as admonitory or satirical works against which the real world can be measured. Indeed, except as satires, there are very few dystopian, or "worst-case" fictions in existence. For while there is always a motive for imagining a better place elsewhere on earth, it is pointless to imagine, within the context of literature, a worse place. Such places have always existed in abundance in the real world. In literature, we have had euchronian (better-time) novels and stories, but, especially within the context of science fiction, these have seldom been intended as propaganda for a change of attitude in the present.

Dystopian works, then — and we include among them such novels as Huxley's *Brave New World*, Golding's *Lord of the Flies*, Burgess's *Clockwork Orange*, Vonnegut's *Player Piano* — comment on the present-day world. They are not intended as "futurological" in any sense at all.

ORWELL'S WORK provides an excellent example. There is almost nothing "new" in the book. It is, to use Anthony Burgess's definition, a "comic transcription of London during the years immediately following WWII." Indeed, Orwell (a pen name for Eric Blair) wanted to call the book *1948*, but his publishers wouldn't allow it.

The book was not terribly new, because most of what Orwell had to say was inspired by a book called *We*, which was published in Russian outside the Soviet Union by the exiled writer Yevgeny Zamyatin. Indeed, Orwell reviewed the book for the London leftist weekly, *Tribune*.

It is, in many ways, a better book than *1984*, extrapolating the repressive potentials of the centralized state guided by rational utilitarianism, in which the only irrational element is the people. People in *We* do not have names, only numbers. They live in glass houses, as television would not achieve any vogue until the Thirties, and Orwell's "telescreen" is simply an improvement in police methods. The language in the book, like the "newspeak" of 1984, is expressionistic, manipulated for speed and economy. There are no neurologists working on the elimination of the orgasm, as in Orwell's dystopia, but sex is rationed, available for coupons.

DISPENSING with the sadism and tragedy of *1984*, two elements coloured by the fact that Orwell



Who's afraid of 1984

By SHELDON TEITELBAUM

wrote it when he was dying, trying desperately to make enough money to leave to his family, the book is really about 1948.

It is often strange to hear young people use the term "1984" to describe what they perceive to be a form of repression. I once heard it used to characterize the airport in Atlanta, Georgia — a gleaming white affair, cold and aseptic, computerized and impersonal.

This is not the world of 1984. Orwell's world is run down and seedy, rampant with the smells of working-class kitchens, fish and chips, and boiling cabbage. It is a world of shoddy food, rough clothes, and coarse soap. It is a world of ruined buildings, electricity blackouts (though, strangely, the telescreen never gives out), and glowing crater.

Call it the aftermath of WWII, though Orwell only had Hiroshima

as an example, which was bad enough, with the world still fighting it out conventionally, after a thugs' agreement had been reached by the three major powers to stay away from "nukes."

But it was really 1948, with last year's ally, "Uncle Joe" Stalin, this year's target for manipulated hate, and the world re-aligning itself in accord with a balance of terror. Mao Tse-tung would actualize the third power concentration, "Eastasia," in a year's time, but Chiang Kai-shek was clearly on the retreat for any but *Time* magazine writers and readers.

In Britain, there was still rationing and privation. The danger and risk, the sense of community of WWII, were things of the past, but otherwise it was almost as if the war was still going on, no respite in sight for those who, after as long as six years in uniform, yearned for the better times they thought they had

fought for. It was an English socialist Britain, in which Utopian hopes of the working classes were being tempered by a kind of latter-day Calvinism. Hence, Orwell's rather funny "Anti-Sex League," and the fear of subversive pleasure, the embrace of pain as a value.

LOOKING CLOSER at some of Orwell's props, we see more of the times he was dying in. By giving his protagonist the name Winston Smith, he was bringing Churchill, who had never been terribly popular with the working classes, down to the most proletarian level.

Try "Big Brother," that fictional leader who, because he was never born, was immortal. The Bennett Correspondence School of London advertised in 1948 via posters showing the affable Bennett pleading, "Let me be your father." Later, his poster switched to "Let me be your big brother."

"The Three Minute Hate"? Orwell had served in the army. He recalled the weekly indoctrination session held by education officers and sergeants, who would lecture the recruits on the need to despise the Huns.

The "Ministry of Truth"? Orwell served during the war as a BBC broadcaster, plying the Indian airwaves with wartime propaganda. The Ministry was really Broadcasting House. Orwell's office had been in the basement, Room 101, actually.

AH YES, you ask, but what about the politics of the book? Sorry, nothing new there either. Orwell was simply saying something Milton had said to Cromwell's England, "Hang on to your liberties!" A message, which, to get back to Mr. Rubinstein, seems to have become irrelevant.

Well, there was more. The book would not have won such a central place in popular western culture without a new angle. And 1984 does possess two cardinal virtues, one rational, the other emotional. Combined, they mark a significant contribution to modern political thought.

The former is Orwell's belief that the purpose of power is power. "If you want a picture of the future," he wrote, "imagine a boot stamping on the face of humanity... for ever." Those who are down, he said in this, the book's most chilling line, are kept down.

The book's emotional virtue is that its Utopian desires seem far more human than those posited by Plato, More, and H.G. Wells. The "good life" for Orwell can be measured by something good to eat, no intruding neighbours, a few amenities, and a girl to bed on occasion.

Combined, these two ideas give way to a third, that power

obliterates character: "What have you done with Julia?" said Winston. "You tortured her?" O'Brien left this unanswered. "Next question," he said. "Does Big Brother exist?" "Of course he exists. The Party exists. Big Brother is the embodiment of the Party." "Does he exist in the same way I exist?" "You do not exist," said O'Brien.

NOW, this "warning" business Mr. Rubinstein mentions.

I don't think the book was ever intended as such. Satires do not deal with warnings. They deal with present-day evils. The darkness and despair of the book, as I have mentioned, resulted from Orwell's terminal illness, which in turn inspired a "terminal vision." Nevertheless, 1984 has been perceived as a warning, and it has served as one.

It has done so successfully. We in the West have not fallen under the iron thumb of Big Brother, and this is perhaps partially because 1984 helped sensitize people to the dangers. Thus, it has made the prospect of such a dystopia evolving less likely.

Many of the dystopian visions of popular culture have been outdated in terms of dates. Neville Shute's *On The Beach* postulated the outbreak of WWII in 1962. Ditté Kubrick's *Doctor Strangelove*, Golding's *Lord of the Flies*, and Burgess's *Clockwork Orange*, which, if it has not yet been pre-empted by a year, will be so soon. Surely the warnings inherent in these novels remain valid nonetheless. They still frighten.

We have indeed reached the brink of 1984 without it consuming us. Whether we succeed in holding the threat of it at arm's length, however, may depend in part on how indelibly that date has been etched into our minds.

EIGHTY-THREE WAS BAD ENOUGH

By IRENA CZEKIERFKA

WORSENING East-West relations and conflicts in the Middle East and Central America raised international tension in 1983, a year in which the superpowers stopped talking about nuclear arms reductions.

United States medium-range nuclear weapons began arriving in Western Europe and talks between the Soviet Union and the U.S. aimed at cutting their arsenals broke off with no dates set for their resumption.

As the year closes, at least five areas are still being torn by constant fighting: Lebanon, the Gulf, Afghanistan, Central America and Kampuchea. In Chad, a 17-year conflict flared anew.

Three dramatic events captured international attention: The Soviet shooting down of a South Korean airliner with 269 people on board; the American-led invasion of Grenada; and suicide car bomb attacks on peacekeeping troops in Lebanon.

Hardly a day passed without word of the crisis in Lebanon, of internal fighting among Palestinian and religious factions, and of tentative cease-fires frequently broken.

TWO YEARS of U.S.-Soviet talks in Geneva on limiting intermediate-range nuclear forces (INF) in Europe ended in November when the Soviet Union walked out after the West German parliament voted to go ahead with deployment of U.S. Pershing-2 missiles under a 1979 NATO plan.

Despite massive demonstrations from anti-nuclear protestors, all over Europe, the first Pershing-2 and Cruise missiles due for deployment began to arrive in Britain, West Germany and Italy in November.

Separate U.S.-Soviet talks on long-range intercontinental missiles and NATO-Warsaw Pact discussions on conventional weapons in Europe have also adjourned, without resumption dates.

In Lebanon, PLO loyalists and PLO leader Yasser Arafat finally left Tripoli after weeks of fierce battles against Syrian-backed rebels.

ATTACKS ON international peace-keeping forces in October, claiming the lives of 241 U.S. and 38 French troops, and the later car-bombing of an Israeli base in South Lebanon, will be remembered among the horrifying events in Lebanon this year.

The suicidal bombings took place in Beirut and later against French and U.S. targets in Kuwait.

The Lebanese crisis also brought Syria into confrontation with the U.S. and, to a lesser extent, French forces based in Beirut.

In the Gulf War, Iran launched several offensives against Iraq during the year, and in response to Iraqi threats of attacks on oil installations in the Gulf, said it would block the Straits of Hormuz, if disruption of its oil shipments continued.

THE INVASION of Grenada, a former British colony, followed a power struggle in the ruling Marxist party and a military coup during which Prime Minister Maurice Bishop was killed.

Grenada's close ties with Cuba and the Soviet Union had soured relations with the U.S., which maintained that a new airport being built on the island was to be used as a launching pad for Cuban operations in Africa and South America.

Washington came in for mixed reactions over its intervention in Grenada and critics also attacked its policy of financing a rebel war against the Sandinista government in Nicaragua, and backing the El Salvador army against rebels.

Deteriorating relations between the two superpowers formed a continuous strand through 1983, flaring with the destruction in September by Soviet pilots of a South Korean airliner carrying 269 passengers.

The Soviet Union maintained that the plane was on a spying mission over secret military installations near the island of Sakhalin, and ordered it be shot down after it apparently failed to respond to warnings.

In Western Europe, support for the NATO alliance and nuclear deployment seemed to be indicated by the election of the right wing Christian Democratic Union in West Germany and the return to power in Britain of Margaret Thatcher's Conservative Party.

Municipal elections in France also reflected a swing to the right, with the socialists and communists losing control of 41 major towns and gaining only one.

The left fared better in Australia where, under the new leadership of Bob Hawke, the Labour Party swept to victory in general elections in March.

DEMOCRACY RETURNED to two countries — Argentina and Turkey — after years of military rule.

In Argentina, Raul Alfonsín was sworn in as president in December after leading his reformist Radical Party to a landslide victory in elections.

And in Turkey, an elected assembly met for the first time since the 1980 military coup, with Turgut Ozal, leader of the conservative Motherland Party which won the November elections, taking office as prime minister.

Cyprus became the focus of international attention when Turkish Cypriots in the north proclaimed an "independent Turkish Republic of Northern Cyprus," but only Turkey has so far recognized the unilateral declaration.

In the Philippines, opposition leader Benigno Aquino was shot dead as he returned from exile in America. The assassination led to huge public demonstrations against President Ferdinand Marcos's government.

And in Burma, two North Koreans were sentenced to death for their part in an October bomb explosion which killed 21 people, including four visiting South Korean cabinet ministers.

THE YEAR brought mixed fortunes for the Poles. Martial law was officially lifted and a limited amnesty declared for political and other offenders in July, but strict controls on social and economic life continued.

Pope John Paul II paid his first visit as Pope to his native country in June and met Polish leader General Jaruzelski and Lech Walesa, leader of the banned free trade union Solidarity.

Demonstrations marking the third anniversary of Solidarity in August were broken up by riot police, but in October came the news that Walesa had been awarded the Nobel Peace Prize.

(Reuters News Service)

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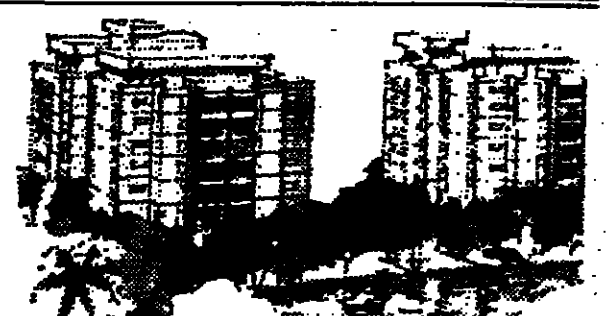
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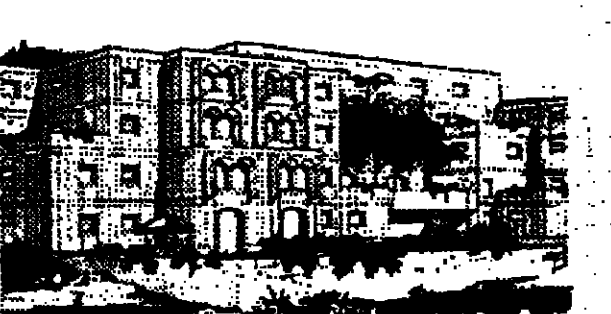
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PRESIDENT REAGAN's welcoming of the meeting between Egyptian President Hosni Mubarak and PLO chairman Yasser Arafat was but the latest example of an increasingly frustrated administration's grasping for straws in an effort to salvage its Middle East policy.

The decision, which seriously upset officials in Jerusalem, as well as their supporters in the U.S. Jewish community, also reflected the seemingly endless contradictions generated by that policy.

Thus, on December 27, Reagan appealed to all "civilized nations" to band together in the fight against "state-supported terrorism." He said: "We have never before faced a situation in which others routinely sponsor and facilitate acts of violence against us, while hiding behind proxies and surrogates which they claim they do not fully control."

Those countries "which sponsor terrorism and terrorist activity around the world," Reagan said, without mentioning any names, must be held "accountable."

Reagan's aides later said he was referring to Syria and Iran — the two countries which U.S. intelligence officials believe were responsible for assisting Lebanese Shi'ite extremists in bombing Marine headquarters in Beirut last October.

In his statement, Reagan offered some examples of "state-supported" acts of terrorism. He mentioned the bombings at U.S. facilities in Lebanon and Kuwait, as well as other recent attacks, including "the terrorist bombing in Rangoon, the senseless murder of Turkish diplomats, the attack on the Pope, the bombing of our own capital and on the streets of London."

Israeli officials could not help but notice that there was no reference to recent attacks against Israeli institutions, such as the Jerusalem bus bombing for which both wings of the PLO quickly claimed responsibility.

Israeli officials were scratching their heads, wondering why Reagan could not have mentioned any of the attacks against Israel, which, after all, has probably been the major victim of state-supported terrorism over the years. But to have done so would have upset the Arabs.

It's also important to recall that while even a weakened Arafat may still be regarded as one of the world's most criminal terrorists by Israeli officials in Jerusalem, he is not viewed as such by several key administration officials in Washington. They believe Arafat still is the most popular Palestinian leader on the West Bank and that only he can give the necessary green

Wishfulness in Washington

By WOLF BLITZER

light to Jordan's King Hussein to join the peace process.

THAT WAS WHY Reagan not only welcomed Arafat's last-minute, internationally organized and UN-sanctioned rescue operation in Tripoli, and his subsequent hero's welcome in Cairo, but actually was very active behind the scenes in promoting both developments.

Secretary of State George Shultz, almost obsessed by the Palestinian question despite his recent readiness to expand strategic ties with Israel, and National Security Adviser Robert McFarlane, heavily influenced by the Saudi ambassador in Washington, 34-year-old Prince Bandar, both remain very determined to get Reagan's ill-fated Arab-Israeli peace initiative of September 1, 1982 off the ground.

Reagan has been deeply embarrassed by the moribund state of that

proposal. His top aides, responsible for pushing him into personally releasing it, are understandably still very anxious to rescue it, especially as Reagan gears up for re-election. Foreign policy has not exactly been a strong point in his first term. With the Lebanese situation becoming increasingly more messy, Reagan and his advisers are willing to do almost anything to score a foreign policy triumph.

Winning an Egyptian-PLO rapprochement, U.S. officials said, was the first step in that direction. They now hope Arafat and Hussein can resume their talks aimed at permitting the Jordanian monarch to represent Palestinians in peace talks with Israel. Such an effort collapsed last April when Arafat could not gain enough backing from his PLO leadership. At that time, the U.S. was very disappointed since the entire Reagan scheme was based on

the assumption that Hussein would get involved. Now, that effort will be made once again.

THE AMERICANS are hoping that Arafat's exit from Lebanon, his reception in Cairo and the prospects of his resuming a dialogue with Hussein will spark new momentum in the broader peace process, even without any easing of the situation in Lebanon. In an interview released last Sunday, Reagan departed from his earlier approach by noting that progress in promoting his peace plan no longer need await events in Lebanon. He cited the Arafat-Mubarak meeting as a key factor in convincing Washington to push ahead on both fronts.

U.S. officials still express confidence they will manage to bring Israel, despite its rhetoric, to the bargaining table if Hussein should win a mandate from Arafat. The Americans had braced for an angry Israeli response to their decision to welcome the Arafat-Mubarak meeting, but they remain convinced that they can "contain" Israel. They cite the enhanced U.S.-Israeli strategic relationship that surfaced during Reagan's summit in late November with Prime Minister Shamir.

In Washington officials have been perplexed by what they insist has

been Israel's "over-reaction" these past few days. Under Secretary of State Lawrence Eagleburger, one of Israel's best friends in the administration, has been charged with "stroking" Israel in order to make sure that it does not get "carried away" in complaining about the revived U.S. courtship of Jordan and the PLO.

That's why he invited Ambassador Meir Rosenne to the State Department on Tuesday. Only a few days earlier, Rosenne protested against the Arafat-Mubarak meeting during a similar meeting with Eagleburger. Sensing the increasingly angry mood in Jerusalem, the administration decided it was important to send a reassuring signal.

But that should not leave anyone under illusions. There still is a very fundamental disagreement between Washington and Jerusalem — not only over the future of the West Bank and Gaza, but even over the more basic question of Yasser Arafat and the PLO.

Shamir and other Israeli officials have made it clear they have no intention of dealing with Arafat under any circumstances — even if he should genuinely moderate his views. But the Reagan team, like the Carter and Ford Administrations, is still very willing — and even

eager — to open a direct dialogue with him, provided that he Washington's long-standing minimal conditions — no recognition of Israel's right to self-determination and acceptance of UN Security Council Resolutions 242 and

In trying to generate a movement in Lebanon and broader peace process, the administration has gone full circle in its policies — from a severe relations with Israel, including embargoes and other sanctions, to a more strategic ties, including significantly increased military assistance. The Reagan administration has moved from condemnations of the PLO's Syrians, to not-so-discreet overtures to both. It has used military power to make a point in Lebanon, yet turned the cheek in the crucial days immediately following the bombing of Marine headquarters in Beirut.

The wooing of the PLO some U.S. officials will continue in part from a "thinking" orientation on the many Reagan policy-makers the whole question might be in any case since it is very clear that Arafat and Hussein's own act together.

The writer is the Washington correspondent of The Jerusalem Post.

ONLY SIX WEEKS ago, as West Bankers and Gazans, like other Palestinians, waited for the ceasefire between pro- and anti-Arafat forces in Tripoli to stabilize, there was uniform support for "Abu Amar," as the PLO chairman is popularly referred to.

As the slaughter of Palestinian by Palestinian continued and despair in the territories became almost palpable, even recognized radical voices in the area, like former Nablus mayor Bassam Shak'a and the weekly *Al-Mithak*, were forced to come out in public support of Arafat's leadership and condemn the fighting.

But an East Jerusalem lawyer, a canny observer of his own people's politics, said that this was only lip-service in the face of overwhelming public outrage at the fighting in Tripoli.

He was proved correct last week, following Arafat's well-publicized *sulha* with President Hosni Mubarak of Egypt. Shak'a said that Arafat's action was contrary to decisions of the Palestine National Council. His colleague on the now-defunct National Guidance Committee, Dr. Haider Abdul Shafi of Gaza, said that the meeting was "a regrettable occurrence."

Al-Mithak was even blunter. "We had a leader, we had a symbol and he is no longer," it said.

BY AND LARGE, however, local Palestinians have publicly and privately welcomed the apparent rapprochement between the PLO — in the eyes of most still authen-

Watch on the West Bank

By DAVID RICHARDSON

tically represented by Arafat — and Egypt.

Rashad Shawwa, former mayor of Gaza and one of the grand old men of Palestinian politics, was adamant that most Palestinians supported the meeting. "It should have happened two or three years ago," he told the leading East Jerusalem daily, *Al Quds*, which played up the meeting, like all the other dailies.

Al-Quds left no doubt where its sympathies lay. "All the tongues that object should be silent" was the headline of its lead item. The paper carried nearly a page of reactions to the meeting, leading off with former Ramallah mayor Karim Khalaf, once regarded as another leading radical figure.

"I am surprised at those who have criticized the meeting," Khalaf said. "Arafat visited the Egypt of Mubarak, not that of Sadat. The visit is a great political victory for the Palestinians because Egypt has returned to cooperating with the PLO."

The argument that Egypt will be able to re-establish its legitimacy in the Arab world through Arafat and the PLO, was repeated by several others and was — somewhat ironically — also taken up by Israeli analysts who prepare Foreign Ministry background briefing papers. The idea of using the PLO as a tool for advancing Egypt's inter-Arab interests lay behind former President Gamal Abdel Nasser's efforts in establishing the organization in June 1964, the Israeli researchers point out, in a paper otherwise dedicated to minimizing the role of Arafat and the PLO in Middle East politics.

AT THE SAME TIME, while Arafat can take comfort from the overwhelming support he still seems to enjoy among local Palestinians, he is also incessantly being told to come to an agreement with King Hussein of Jordan. Mustafa Natshe, the recently deposed mayor of Hebron, urged that Arafat should next concentrate on Jordan because of the historic ties between the Jordanian and the Palestinian peoples.

Until now, Arafat has appeared to take the support of the West Bank and Gaza generally for granted. They have never really delivered him or the PLO an ultimatum, and it is certainly debatable whether, leaderless as they are, they are really capable of doing so. Nonetheless, given the split within the organization, their weight in his plans for the future must have increased.

EAST JERUSALEM papers have also played up Arafat's trial balloons about establishing a government-in-exile. No one appears yet to understand quite what is intended, and the idea is being dismissed as more of a change in form than in real content.

More radical circles are treating the idea with caution; to them it implies abandoning one of the basic and near-sacred slogans of the Palestinian movement — the legitimacy of armed struggle in achieving its aims. At best, they say, a "government-in-exile" would become the political arm of a movement which would still retain its fighters — much like the Political Department of the Jewish Agency and the Hagana before the foundation of the state.

Such a government should be formed only when it has something concrete to address itself to, they argue. At the moment, they feel nothing real is being offered, and that it is still the PLO's advantage to wait while others make efforts at resolving the conflict.

THE MORE MODERATE and generally pro-Jordanian figures — possibly prompted by a realization of lost opportunities and a pressing sense of urgency — are more open to the idea.

For a long time they have been urging that the PLO and the Arab world accept the principle of majority rather than unanimous decisions, which automatically give small and more radical interests the power of veto.

The major advantage, they argue, would be that such a government could act effectively and enjoy even greater international recognition.

If, released from the necessity of obtaining unanimous decisions, such a government were to endorse an agreement with King Hussein of Jordan and even, accept U.N. resolutions relevant to the conflict, they could then expect American recognition.

Without that, these figures say, the Palestinians have no hope of achieving any of their demands, since American pressure on Israel is a prerequisite to any acceptable settlement.

The writer covers the administered territories for The Jerusalem Post.

YASSER ARAFAT's meeting with Egypt's Hosni Mubarak in Cairo last week was, on the face of it, a monumental blunder.

His urge to embrace the leader of the only Arab country formally at peace with Israel, less than 48 hours after narrowly avoiding a Syrian-backed bid to unseat him for what was viewed as his own "soft" line on the Jewish state, has been widely seen as, at best, a foolhardy act of defiance aimed at Syria and its protégés in the PLO — and, at worst, an act of sheer desperation by a founder man clutching at whatever political straw happens to come his way.

The meeting has not only unleashed a storm inside the PLO, with even those who supported Arafat, or at least remained neutral, during his months-long confrontation with the PLO rebels condemning the encounter and calling for his ouster: it has evoked almost no support in the Arab world, and even Jordan and Saudi Arabia, the two Arab states who might have been expected to applaud it, have been markedly reserved in their reactions.

Arafat would appear, then, to have squandered, through an act of astounding ineptitude, much of the very considerable political credit with which he emerged from his military debacle in Lebanon.

And those who have a healthy respect for Arafat's capacity for political survival, if for nothing else, are now waiting for the wily PLO chief to squirm out of his latest predicament and shift direction once again in a bid to save his political scalp.

That, however, is not how the Hebrew University's Matti Steinberg, one of Israel's most knowledgeable authorities on the PLO, views the situation.

STEINBERG concedes that there may have been an element of spite in Arafat's decision to meet with Mubarak, a desire to "get back at" Syria and the PLO rebels, but he totally rejects any notion that it was an act of desperation.

On the contrary, Steinberg is convinced that Arafat's move was carefully planned even before he left Tripoli, and that he had taken into account the negative reaction it would elicit, even among some of his own supporters.

Not unlike Sadat's visit to Jerusalem six years ago, Arafat's decision to visit Cairo was a conscious attempt to break political and psychological barriers by a man infused with a new sense of destiny and confident of his strength as the unchallengeable symbol of Palestinian nationalism.

This new perception of his destiny, Steinberg suggests, was the direct outcome of his latest experience in Northern Lebanon, from which, despite his overwhelming military defeat at the hands of the Syrian-backed rebels, he emerged, if anything, politically strengthened.

No longer does he appear to view himself as bound by the need to place Palestinian unity above all else, Steinberg notes, an imperative that in the past has prevented any radical change in direction by the Palestinian movement.

Arafat's options

By DAVID BERNSTEIN

It was this commitment to consensus politics that prevented Arafat from giving Jordan's King Hussein the mandate he sought last March to enter into the peace process under President Reagan's Middle East initiative. And it was his apparent abandonment of this principle that enabled him to take the possibly even more far-reaching step of meeting with Mubarak last week.

STEINBERG is convinced that the storm of protest the Mubarak meeting raised in the PLO did not take Arafat by surprise, and neither is he unduly concerned by it.

While he would rather have the support of George Habash's Popular Front for the Liberation of Palestine and Naif Hawatme's Democratic Front for the Liberation of Palestine — the two largest PLO groups after his own mainstream Fatah — he no longer views this as essential. He would now be prepared to alienate them if they continue to hamstring his new political strategy.

What really matters to him is the continued support of the Fatah leadership and of the Palestine National Congress (PNC). Steinberg believes he is more or less assured of the support of the former, as even those who might be having some misgivings about his latest moves are too far committed to him to switch camps now. As for the PNC, the Palestinian "parliament," Steinberg believes that Arafat can safely count not only on a majority, but the two-thirds plurality needed to approve any radical PLO policy shift.

The PNC is, in fact, due to convene in February for what Steinberg indicates could be one of its most momentous meetings, with Arafat prepared to depart from past tradition of always insisting on a consensus, and entering into an open confrontation with his rivals in a bid to secure that two-thirds plurality.

This would inevitably lead to a break-up of the PLO — but it would give Arafat the mandate he requires to represent the Palestinians as he sees fit.

HIS MEETING with Mubarak has undoubtedly opened up new political vistas for Arafat, and Steinberg is convinced that if he manages to survive the next few months physically, there could well be some dramatic movement in the Middle East peace process.

In the first place, the rapprochement with Egypt will undoubtedly strengthen Arafat's hand in his dealing with King Hussein if their dialogue ever resumes which most observers now regard as inevitable.

Arafat will thus be able to drive a far harder bargain with Hussein than he could have done, says Steinberg, in March, by making it plain to the king that he and the Reagan Plan are not his only op-

tions, and that if his demands for Palestinian self-determination in the West Bank are not met, he will bypass Jordan and coordinate his moves with Egypt.

This could have far-reaching consequences, including the establishment of a Palestinian government in exile — something Arafat has been toying with for some time now — and, not inconceivably, acceptance of an amended version of UN Security Council Resolution 242.

Acceptance of 242 is Washington's minimum condition for its recognition of the PLO as a legitimate partner for dialogue and potential party to any peace initiative, and Steinberg recalls, it is something Egypt has long been pressing Arafat to do.

In fact, the Egyptian-French initiative, launched soon after Israel's invasion of Lebanon in an attempt to salvage a "political victory" for Arafat out of his military debacle there and still pending before the UN, is based on PLO acceptance of 242 amended to recognize the Palestinians' right to self-determination and to incorporate the principle of mutual recognition between Israel and a Palestinian entity in the West Bank.

What is more, the Soviet Union has indicated that it, too, is in favour of the PLO accepting 242, for this would bring Moscow back into the picture.

Moscow could thus be expected to bring some pressure to bear on its

own protégés in the PLO to Arafat in any such move — foremost Hawatme, who Habash, while criticizing meeting with Mubarak, closed the way to cooperation with him.

TO JUDGE from Washington's positive response to the meeting, it, too, would welcome a radically reformed PLO committed to peace with Israel on the basis of 242 — even if it meant to recognize such were to precipitate a crisis with Israel, and even if it have some misgivings renewed Soviet role in the East peace process.

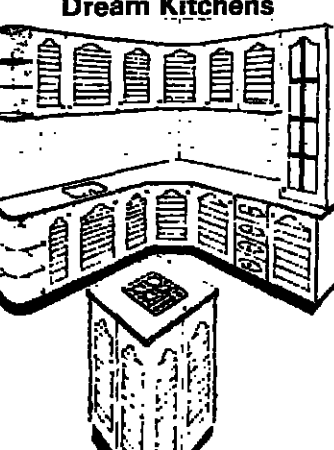
Arafat has in the past rejected not only because it is territorial compromise, but because it would go for a Palestinian state in the West Bank and Gaza.

Steinberg believes that I prepared to accept the territorial compromise, but because it would go for a Palestinian state in the West Bank and Gaza. Steinberg concludes, no means inconceivable in months ahead, following February's PNC meeting, will be launching a deep political offensive, very likely deep Egyptian involvement that last week's visit to the first move in this direction.

The one thing that Arafat is an assassin's bul that, Steinberg notes, means a remote possibility Syria's resolve to make chief pay the appropriate price for his military Lebanon.

The writer is Middle East reporter for The Jerusalem Post.

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THE JERUSALEM POST

WAS AN extremely short session. In fact, it only lasted a few minutes. But after all, Prime Minister Yitzhak Rabin was kidnapped when he proclaimed to the world that a new era had arrived in relations between Israel and the United States.

It was the tart comment of the former prime minister, Rabin, on the government's reaction to official satisfaction in Washington over the Cairo agreement between President Hosni Mubarak and PLO chairman Yasser Arafat last week.

Talking about a new era does square with the fact that the Administration knew about the Arafat-Arafat meeting ahead, helped arrange it, and urged the two men to get together. Rabin told me in the set building.

A tone of wise rebuke, Rabin said. "The trouble with this government is that it doesn't look the facts in the face. For instance, its entire reaction to the question of Arafat's return from Tripoli was incoherent, although the government is it put up a deliberate screen.

Evening the evacuation of Lebanon was impossible for us, yet the government created the impression it wanted Arafat to stay in Lebanon — despite our stated purpose of getting all foreign forces out of Lebanon.

While the government was going along here, the U.S. Administration was steadily proceeding with its plan to pluck Arafat out of Tripoli and place him in a little so that he could give King Hussein of Jordan a call go-ahead."

During Rabin's analysis an internal political development is a sheer intellectual pleasure. Every you may say about his picture, you have the feeling that he understands the elements of the situation better than anybody in the present government. He does not wear the blinkers that are so obvious on some others, nor is he swayed by the irrational reactions of a former administration which influence other leaders.

IN READILY admits that the held by Shamir and Defence Minister Moshe Arens in London took place in a very difficult atmosphere, but suggests the government never understood what lay behind the dilemma.

It is sure that after June 1984 the Administration will withdraw Marines from Lebanon. "I told the Secretary of State Lawrence Shriver that the actions of the

Reassessing relations

Post Knesset Correspondent Asher Wallfish talks to Yitzhak Rabin

"The Americans want a face-saving solution in Lebanon, and they don't want to wait"



(David Rubinger)

Soviet Union and other countries will help determine who'll be the next man in the White House, if the Marines stay in Beirut during the election campaign," Rabin confided.

Recalling the steady objection of Defence Secretary Caspar Weinberger to the American military presence in Lebanon, Rabin referred to "that Pentagon general who said, 'It's the wrong war, at the wrong time, in the wrong place and without a partner.'"

"I believe that President Reagan is gradually realizing this is a no-win war," says Rabin. "And Pentagon generals don't like no-win wars. America cannot win any political achievements in Lebanon because it cannot alter the military facts there. It cannot do a repeat of Grenada."

Rabin suggests that there are people in the Pentagon who have been saying that 100,000 American soldiers in Lebanon could knock Syria out and alter the facts on the ground. They know this idea is fan-

ciful, and are suggesting it because they want to attain a practical objective which is precisely the opposite: a total American withdrawal.

"I agree with the prevailing view in the Pentagon that Syria and the Soviet Union together have more influence on the future of Lebanon than Israel and the United States together," says Rabin. "There can be no solutions to Lebanon's future without Syria. What Israel can handle is the zone 45 km. north of the border, which is essential for security. But I wouldn't predict how long we can continue to handle it if we don't reckon with Syria."

He points out that events in Lebanon are being dominated by Syria and its Druse and Shi'ite allies at the present time. "They're working hand in hand to prevent the emergence of a strong central government. True, the Druse are not letting the PLO terrorists establish themselves in the Shouf Mountains. But that's a separate matter."

Rabin says that the U.S. Administration wants to facilitate its own withdrawal from Lebanon next year, in a manner which will enable it to save face, by having the IDF stay put for the next three to six months at least.

"It is ready to pay us a price — but a non-political price. A bigger grant. More military aid. Declarations of intent with regard to offset purchases and a free trade area, the practical implications of which still remain to be seen."

Rabin believes that the Pentagon is resisting the strategic cooperation agreement with Israel to this very day. "The Pentagon's reservations were intensified after the Shi'ite terrorist attacks in Kuwait. The generals worried that terrorism was threatening to undermine the Persian Gulf oil states and was bypassing Israel. And they could not forget the fact that the real arena of superpower rivalry in this part of the world, since the Second World War, is over Arabian oil."

For the Pentagon, the central issue for decades has been holding ground in the oil states, or losing ground. So, from the generals' point of view, the Lebanon affair — which they never agreed with — has boomeranged against American interests in a more important region.

"By now, this line of reasoning has influenced the White House, too. And in any case, the American public doesn't see any sense in the whole Beirut operation, and never did. No wonder people like Walter Mondale and Jesse Jackson are criticizing the way they do, and precisely at this time," Rabin says.

WHEN RABIN talks, one never feels that the phrases mould the ideas, that the form dictates the content. His line of reasoning takes him only as far as he wants to go, and no further. He quotes statesmen and politicians, strategic analyses and newspaper comment — not philosophers and writers. He doesn't look for intellectual crutches; perhaps that's one reason

he's been accused of intellectual arrogance at times.

Rabin gives some credence to what he calls "a rumour" that U.S. leaders have told President Amin Jemayel they give him five months to establish wider control in his country. "The Americans want a face-saving solution in Lebanon, and they don't want to wait," he told *The Post*.

"So, by June, if Israel has not made any new moves in Lebanon, it could stay there, alone with its soldiers, and perhaps come under American pressure to withdraw before the minimal conditions for the security of the northern border have been assured," he warned.

The former chief of staff does not think much of the strategic cooperation agreement with the United States, which Shamir boasted about so much on his return from Washington and about which former Defence Minister Ariel Sharon boasted even more, in his day.

"Why did we have to run after the Americans?" he asks. "Should they be interested in strategic cooperation, they know our address. Nor do I think much of their prepositioning their stores here. My first concern is for Israel's security interests."

HE SNORTS at the theory that this country can deploy the IDF on a large scale and at Israel's own initiative to attain long-range political and military objectives. (He knows the father of that theory, Sharon, only too well, from decades in uniform together. Yet, when Rabin was prime minister, he went out of his way to engage Sharon as a security adviser, which made some people wonder.)

"The war in Lebanon has proved conclusively that you can't force normalization and peace in this region with military superiority; you can't bring Palestine Arab terrorism to an end with an invasion; you can't land Syria the sort of military blow which would be effective in the long term."

"However, Israel could attain a reasonable, though far from ideal, security arrangement in a 40 to 45 km. strip of Southern Lebanon, provided it does not stipulate a Syrian withdrawal from Lebanon or the emergence of a strong government in Beirut."

"What I mean," says Rabin, "is a partial unilateral implementation of the security clauses in the Israel-Lebanon agreement."

"It entails local brigades between the border and the Zahrani River and the deployment of UNIFIL between the Zahrani and the Awali River. Syria and the Soviet Union, who have no objections in principle to UNIFIL, would jump at the idea

of getting the Western military presence out of Lebanon and waving the Multinational Force goodbye."

Drawing on his own intimate knowledge of Congressional, public and media opinion in the United States — a knowledge which is probably less hidebound and more perceptive than that of anybody in today's government — Rabin says: "I had reservations about the multinational force idea from the start, because we always had a moral argument vis a vis the American public. We often repeated to them that Israel did not want one single drop of American blood to be shed in our interests."

"Now it's true that it wasn't Israel's idea to put Marines into Beirut and that they aren't there for our security. But we still have to stress to the Americans that we don't want their soldiers to assume any responsibility in Southern Lebanon."

RABIN HAS no illusions about who has come out on top in Lebanon. "Syria is sitting pretty. It doesn't need to make another war over Lebanon, and its soldiers don't need to fire a single shot. Nor, of course, does the Soviet Union. They both have agents doing the shooting on their behalf; militias battling with the sovereign government. What could be more ideal for Damascus and Moscow? What could be worse for Washington?"

He sees UNIFIL as a screen to keep the Syrian units in Lebanon from advancing and to be an effective barrier against "most" terrorist forces. Although there was some terrorist infiltration and shooting before the 1982 war, he concedes, the PLO needed to fire real artillery in order to leapfrog effectively over the UNIFIL zone at a time when it was narrow.

He believes Israel could take the wind out of the Shi'ite sails and neutralize their hostility by proving that it is not in Lebanon to remain as a conqueror. It could also show that it will not serve as an agent of the Jemayel regime to suppress them. "Then we could help the Southern Shi'ites to build a military force solely destined to keep out the PLO."

The obstacle to his concept, says Rabin, is Shamir's insisting, to this very day, on the evacuation of all foreign forces, including the Syrians. "If our prime minister has his way, we'll still be sitting in Lebanon in 1994," Rabin warns.

"But I wouldn't fire another shot to shape the future of Lebanon or thwart the creation of a Greater Syria. There is only one reason to justify making war: to ensure the existence of my country."

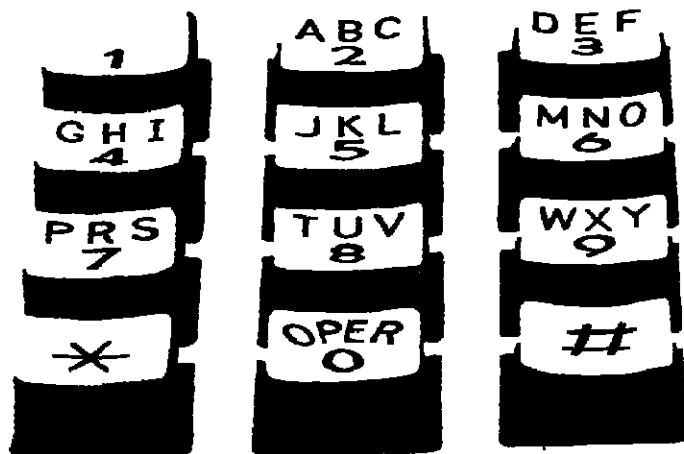
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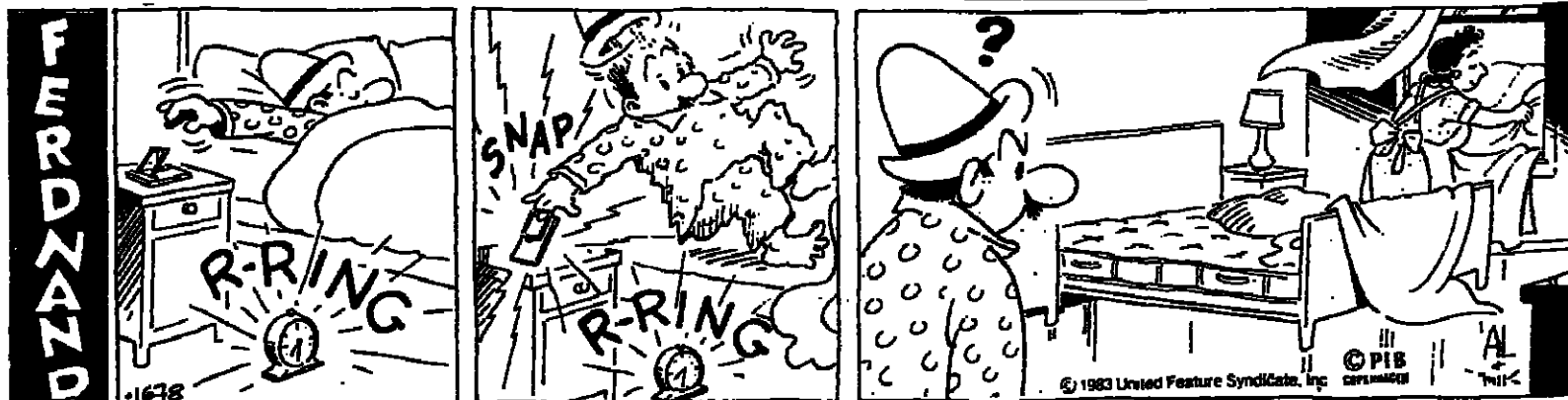


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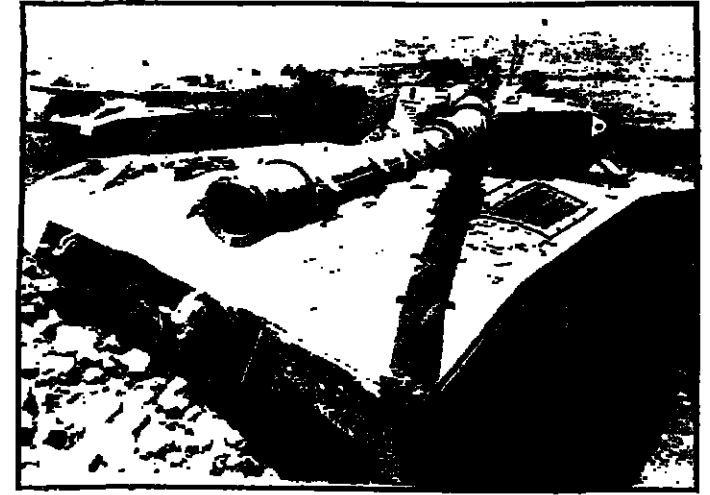
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FOCUS

HOW WAS RESPONSIBLE for the dramatic fall in the value of bank shares last October? The general consensus is that it was the banks. They went on pushing up the price of their stock when other prices were dropping. An actual collapse was only averted by the intervention of the Treasury, in an unprecedented move, underwrote the value of bank shares.

While these verbal strictures cast the conduct of the banks as being made, no answer was given. The banks preferred to maintain a low profile. That does not mean they agreed with the critics. Japhet, veteran head of Bank Leumi, Israel's biggest financial firm, attributes the public disarray in part to the unpopularity of banking fraternity as a whole. "Abroad there is at least a grudging respect for the system. Here it is lacking. We are disliked being too big and too independent" (that is, of public concern). "We are abused for possessing too much money, irrespective of the fact that it all belongs either to depositors or our shareholders."

Why did the banks push up the price of their own shares? "We are obliged to undertake the responsibility of stabilizing our prices. Personally it was very much against my will, as I told net ministers repeatedly. The compelling reason was the nature of the capital market. The current compels the big institutional investors (pension funds like the like) to place the bulk of funds in government bonds. In countries they are free to invest in will, which makes them an important stabilizing factor in the exchange."

Being prudent organizations conformed with the long term, the pension funds operate anti-cyclically, buy when a security drops, sell when it rises excessively. Speculator does the opposite, two groups tend to cancel each other out.

In Israel the speculator rules the post, there is nobody to offset the trends he creates. The banks to do the job, they fill a vacuum, declares Japhet.

The purpose was stabilization, and the banks press the price of shares up to unrealistic levels?

Japhet: "The business world has been against the government for funds. Treasury bonds, in unlimited quantities, fixed a price in the market, because they were fully linked to the price of the investor wanted something more if he was to put his money into equity."

Why so much more? Because that the state of the market, according to Japhet. "The demand for bank shares rose, yet the finance minister, for reasons of his own, did not allow us to make new issues."

He does not believe the Treasury obliged to underwrite the bank



David Krivine

The Post's David Krivine meets banker Ernest Japhet

'We are disliked for being too big and independent'

shares, it wasn't strictly necessary. "I can't get over-excited by the plight of the shareholders; they benefited from a marvellous yield for several years." Easy profits are not, and should not be that easy; shares which rise too high are bound to drop again sooner or later. "I told the Commercial and Industrial Club a year ago (on December 31, 1982) that the market was overheated."

A check of the text reveals that he did indeed give warning: "New issues to the public have been priced at levels above those which would be implied by sober economic judgment," and: "In many cases — too many, I must emphasize — the connection between the market value of shares and their true worth has been severed." A fortnight after that speech, on 18 January 1983, the market broke.

and provoked the mass purchase of consumer goods.

"Everybody suddenly saw the light and started moving out of shekel-denominated assets, whether deposits in the bank or securities at the stock exchange. They clamoured for dollar-denominated assets, or for plain cash dollars."

"The last liquid Israel-shekel asset was the bank shares. The banks tried to keep up their value. In August, Aridor began devaluing the shekel and cutting the budget, but it was too little and too late."

The banks were also guilty, surely; they borrowed foreign currency abroad to bolster their shares. Isn't that so? "Not entirely. Bank shares were traded not only for foreign currency, nor was the inflow of dollars primarily for that purpose. The public was busy buying dollars, and the supply of that commodity had to be kept up. It was not a crisis of the banking system; it was a crisis of confidence in the economic management of the state."

What would have happened if the Treasury had not underwritten the price of bank shares? "They would have dropped in value — as indeed they have done anyway, by over 40 per cent."

Why has this latest drop occurred? Is it because the public does not trust the government's promise to redeem them six years hence? "No, I don't think that's the reason. The holdup is that there is no cash around at the moment. It is a temporary stoppage. Once people get over the shock of these still-recent events, things will straighten out."

Would not a still greater tumble in those shares have precipitated a run on the banks, and didn't Aridor's guarantee prevent that?

Japhet smiles patiently. "There was no cause for panic. The function of the banking system is one thing, the price of its shares on the stock exchange another. Other company shares have tumbled, no Treasury guarantees were supplied — and despite that, the companies are operating successfully as before."

Mightn't foreign-currency deposits at least have been withdrawn? Japhet thinks not. No signs were felt of such a contingency. Foreign-currency deposits in Israel's banks amount to \$6b., half of it in Bank Leumi. A tiny proportion of the sum (around 3 per cent) was withdrawn — and would you believe it? "Half of those withdrawals were re-deposited," he grins. "In the foreign subsidiaries of Israeli banks."

every \$100 of share value last October. What it is providing is a dollar linkage plus 0.75 per cent interest a year. If bank stocks improve by 10 per cent per annum in dollar terms, they will have caught up with and overtaken the price offered by the Treasury."

So the government is not exposed to a heavy outlay under this seemingly rash undertaking? Japhet thinks not, but adds a rider: "Provided always that the authorities allow a normal growth and development of the banking system."

Is that another way of saying that the banks should be allowed to charge high interest rates and fancy prices for their services?

"There is no doubt that the profit performance of the banking system has been adversely affected by the government's monetary policy, which was out of tune with the country's economic needs; and by the serious penalties which the administration imposed on the banks in a desperate bid to hold galloping inflation in check."

"We were not allowed to adjust our interest rates in accordance with the change in prices, so that for periods of time we were receiving negative interest-rates. This cut into our profits considerably."

"All we want is permission to charge a real interest. The price of our lendings should be higher than the prevailing level of inflation; high enough to let us — taking into account the liquidity regulations" (which freeze a proportion of deposits at low interest in the vaults of the central bank) — "offer a proper return to our depositors."

"As to bank fees, they should be sufficient to cover the cost of the

services we render, not more than that."

Has not this cost been excessive in the past, considering that only now are the banks making economies and closing down superfluous branches — which must have been expensive to run?

"You must remember how we acquired those branches. There was, in Finance Minister Pinhas Sapir's days a phase of consolidation when, with the encouragement of the authorities, the big banks bought out the small banks and were stuck with the various branch offices."

"Closing them down in the hot-house economic atmosphere that prevailed was easier said than done. It was hard to fire people. Mayors and local politicians kept asking us why we had no branch in their township or neighbourhood."

"Don't forget," he adds, "we could not open a new branch without the express authorization of the Bank of Israel."

"There have been attempts to economize all the same. Bank Leumi closed down ten branches in 1982, quietly and without making a fuss about it."

THE BANKS ADVISE clients on their investments. Is there not a conflict of interest here and should not the banks desist from this kind of activity?

"You are talking about the British and American system of limiting the banks' only to commercial banking. Israel has adopted the continental system, which makes us into universal bankers. We do everything, commercial banking, investment banking, underwriting, brokerage; we are a kind of super-market of financial services."

"I doubt whether having the in-

vestment function off would work. Only the banks are big enough to handle this complex and costly activity. Only they have the day-to-day contact with a wide section of the population."

"Not that we derive any great satisfaction from carrying out this task. The transactions are mostly small and the commissions don't cover outgoings. Investment brokers are losing ground in the U.S. today for that reason, and there is a move there towards the European system."

"The Germans appointed a commission to examine whether their universal-banker system should be changed, and after long study decided to preserve the status quo."

"What I do believe is that investment advisers ought to undergo special training courses. Also, more comprehensive and reliable information should be provided to the public about companies bidding for their capital."

Should not the investment advisers in the banks have egg on their faces, after recommending the purchase of shares whose value proceeded to fall? "Yes, it was a traumatic experience for some of our managers. They feel not only despised, they feel let down. They acted in good faith, they didn't anticipate that the stock market would brusquely move in another direction."

Were they pushing the shares of their own banks for selfish reasons? Japhet looks reproachful: "They don't get a cash bonus for doing that, you know."

Gazing at the future, should the banks retain the power to buy and sell their own shares? "What you are saying is 'Should our policy of stabilization continue?' You must remember that we lack in Israel some of the elements which normally function in a fully-fledged stock exchange."

"Ours is a young exchange, it has not yet developed all the checks and balances necessary for smooth operation." There are too many ups and downs, for lack of countervailing forces. "A capital market is not influenced exclusively by economic considerations — outside factors are at work, notably the confusing one of mass psychology."

"I would say that if the big pension funds were liberated by the Treasury to invest in the open market, then our participation in the work of stabilization would no longer be necessary. Until that happens I must admit albeit reluctantly that our banks will have to go on with the job."

"Meanwhile there should be more supervision by the Securities Commission and by the stock exchange itself." All these procedural problems will however lose their importance, he believes, if normal conditions are restored in the economy at large. "The overriding necessity is to bring back popular confidence in the economic system and in the administration of the country."

Sharing the share burden

By YOSEF GOELL / Jerusalem Post Reporter



The applicants have submitted alternative proposals of their own. All of this could possibly merit a postscript on the editorial page of *The Jerusalem Post* if it were not for the fact that on November 28, the High Court, presided over by Justice Meir Shamgar, did not reject the application out of hand.

Over the strenuous objections of deputy attorney-general Yoram Bar Sela, representing the State, the High Court ruled that the Treasury and the Bank of Israel must give due consideration forthwith to the alternative proposals submitted by Kaniel and his associates.

Although these alternative proposals were submitted in detail some time ago, the authorities are only now beginning to give them a fair hearing. Since the government and the Bank of Israel, not to mention the Big Five banks, have staked their prestige on the implementation of the officially agreed scheme, there would seem to be some truth in Kaniel's charge that they have been purposely dragging their feet in carrying out the High Court's order.

Even if the shares drop by only one-third of their value by that date, Kaniel argues, that would mean that the Treasury would be shelling out over \$2 billion more in compensation than the value of the shares it is buying. If their value drops even more, the cost to the Treasury will be commensurately higher.

Kaniel argues that there is no need to spend that much money. First of all, it is unheard of for a government to compensate shareholders for their losses. But even if one accepts the political decision to pay compensation to a public that was largely misled by the banks, that compensation should not be a giveaway. For, after all, many, if not most, of the holders of bank shares made good profits from those shares.

What Kaniel is proposing is that, instead of the blanket government guarantee, one of these vastly cheaper alternatives be adopted: □ Make a profit and loss calculation for each shareholder individually from the date he purchased his shares, or going back four years to October 1979. Such a calculation could easily be made by computer.

Kaniel proposes that each individual shareholder be compensated in accordance with the original value of his investment in the bank shares. That would mean subtracting the profits made by each shareholder since 1979 from the value of the bank shares he held on October 6, 1983.

Kaniel estimates that such compensation would cost the Treasury only \$200 million, a significantly lower sum than the \$2 billion plus that the official scheme would cost. □ Make the same calculation, but without obliging the government to buy the shares. Instead it would simply compensate the shareholder for the losses incurred, minus the profits he had made earlier from the shares. He would keep on holding the shares with the possibility of selling them at some later date.

One version of this would have

WE MET Kaniel, a feisty Jerusalemite who has been involved in previous political-legal battles (over such issues as electoral reform and the method of distributing Knesset seats), in his spartan office at the Givat Ram campus.

He started off explaining double integrals, and I stopped him by admitting that the only college course I ever flunked was integral calculus. At which point we returned to earth, and his arguments became crystal clear.

The total value of outstanding bank shares of the Big Five was estimated at \$7.5 billion on October 6. If one deducts about \$1.3 billion for shares held by vested interests which are not permitted to be compensated by the terms of the official scheme, that leaves \$6.2 billion in shares which the government has committed itself to buy.

Kaniel argues that the argument, if implemented, will be Treasury — and more importantly, the Israeli taxpayer — an added and unnecessary outlay of \$2 billion; and, if many holders choose the four- or five-year savings alternatives, even less.

the Big Five repaying the government for such compensation payments by means of specially floated bank shares. In essence, Kaniel argues, this alternative would cost the government — and thus the taxpayer — nothing.

OTHER PARTS of the proposals are much too complex for an article of this nature. But what is clear is that different parties have different expectations — and possibly delusions — concerning the future of the shares, the banks and the economy.

The bankers were desperate to get out from under the ruins of the bank-share house they had built — with a minimum of damage to confidence in their banks, to their balance sheets, and to their own prospects of continuing in office as highly-paid directors.

The Treasury, which cannot escape the charge of collusion with the banks, is seeking to avert the rage of shareholders, who are also voters, by guaranteeing a tidy, if not enormous, dollar-linked profit on the shares — if their holders only postpone the demand to cash them in for several years.

Some cynical officials believe there is no way any future government can hope to pay for such a large amount of outstanding shares, all of which are to be cashed in at the same time.

Others, however, say that the economy could very well take a turn for the better during the intervening years and that the market price of the bank shares could rise to a level higher than that guaranteed by the government.

THOSE holders of bank shares who rushed to sell their shares even prior to the conclusion of the official compensation agreement, at a loss of between one-third to one-half of their value have obviously acted on the former belief: that there is no basis for confidence in the government's promise or ability to redeem the shares in five years' time.

Kaniel has another interesting point. It is obvious that many shareholders stand to gain from the arrangement. But all of them are also taxpayers who will lose from the higher taxes needed to finance the compensation payments in five years.

He has calculated the point at which a given shareholder's gain is balanced by his loss as a taxpayer: for the average taxpayer to break even, he would have to have had \$8,000 worth of bank shares on October 6. At October's rates, only shareholders holding close to \$500,000 in bank shares break even.

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Guest relaxes at Mishkenot Sha'ananim

(Arnold Newman)

CULTURAL ASSET

By ABRAHAM RABINOVICH/Jerusalem Post Reporter

ITS OPENING 10 years ago was one of the most elegant occasions ever seen in Jerusalem, a city not normally given to glitter. There were candlelit tables set up on the outdoor terraces, a full moon, beautiful people, a superb buffet dinner and Pablo Casals in one of his last public dialogues with his cello.

Turning Mishkenot Sha'ananim, the first residence built outside the Old City walls, into a guest house for visiting intellectuals and artists was part of a plan to restructure Jerusalem in the post-Six Day War years. From being a provincial preserve — part synagogue, part barbed-wire encampment, part coffee house that closed early — it was to become a vibrant center.

Transforming the century-old Mishkenot into a cultural spring fed by world figures and lesser-known talents would, Mayor Teddy Kollek believed, significantly change the city's strife-ridden image and put Jerusalem in the mainstream of world culture.

The project was financed by a \$2m. donation by William Levitt, builder of America's Levittowns, through the Jerusalem Foundation, which provides ongoing funding.

Less than two months after the opening, the Yom Kippur War shattered the tranquility and many of the illusions that had begun to set in over the country. In the decade since the war, however, Mishkenot Sha'ananim — The Tranquil Dwellings — has continued to fulfill the function conceived for it.

Some 4,000 guests have checked into its 10 apartments in this period. They have enriched the intellectual life of the city, carrying the word from Zion that there is more to Israel than helmeted soldiers.

SAUL BELLOW wrote *To Jerusalem and Back* following a stay at Mishkenot, and John le Carré did some of his initial research on *Little Drummer Girl* while staying at the guest house. Marc Chagall spent time there and so did Isaiah Berlin.

Victoria de los Angeles, Eric Erickson, Igor Markevitch, historian Bernard Lewis, Harold Pinter, Isaac Stern and numerous other luminaries in many disciplines. André Schwarz-Bart (*Last of the Just*) was one of Mishkenot's first two guests and spent the Yom Kippur War there.

Until recently Mishkenot served for the most part as a genteel hospice that provided a base for random assemblages of intellectual pilgrims, whose contact with Israelis was sporadic. Now, under new direction, it is about to become a more active cultural center that will encourage — indeed, organize — regular meetings between its guests and groups of Israelis who share their field of interests.

Behind this approach is Leon Davidoff, a retired Mexican businessman currently chairman of Mishkenot's board, and Mrs. Chagit Friedlander, the institution's new director.

"We want to make this a center for culture and an exchange of ideas that will make an impact on the creative life of the city," says Friedlander.

Guests initially stayed free of charge. However, an expected maintenance endowment fund which failed to materialize has changed this. Management declines to reveal how much is now charged, but says it is considerably less than the rates of a five-star hotel, and has considerably more to offer. Guests, who can stay up to three months, get three-room apartments with kitchenettes and a view of the Old City, maid service and the help of the Mishkenot staff in arranging meetings. Some guests come with their families.

MICHAEL LEDEEN, an American historian, thought of Israel and Mishkenot when he set out to research and write a book on his recent sabbatical.

"I wanted a place where I could find intelligent and knowledgeable people I could talk to about my

ideas, with the certainty that I would get good, honest criticism. This is hard to come by in Washington. People are afraid that if they criticize someone, he will become an enemy."

In Israel, Ledeen, a senior fellow at the Centre for Strategic and International Studies at Georgetown University, met extensively with historians and political thinkers. "I found them intellectually much more aggressive, incisive and playful than [their counterparts] back home," he says. In addition to intellectual challenge, Mishkenot provided the serenity he needed to write.

For Israel's intellectual community, Mishkenot offers a measure of compensation for the country's isolation from the mainstream of western culture by permitting its members to strike sparks with first-class minds from around the world — without paying travel tax.

Mishkenot's guests are chosen by an inter-disciplinary selection committee which sometimes initiates invitations and otherwise reviews recommendations by universities and other Israeli institutions, as well as direct applications to stay at the guest house.

Although the occupancy rate in the early years was rarely less than 90 per cent, it is now about 60 per cent and Mishkenot's management hopes to raise this. In a recent interview, Davidoff said that he is considering increasing the number of rooms by subdividing existing space.

Historian Ledeen hopes that the new activist policy at Mishkenot will not be carried too far.

"I hope they're not too enthusiastic about integrating people and organizing activities," he said, as he sat out on the terrace opposite Mount Zion. "Everyone at Mishkenot is delighted that the telephone isn't ringing. That means that for hours on end nothing happens. It's a very hard thing to find in the modern world."

Hawking an epic

By JUDY SIEGEL-ITZKOVICH
Jerusalem Post Reporter

stations," Lapid noted. The authority is now negotiating with a U.S. company over the production of a six-part summary of the original *Pillar of Fire*, Lapid said. The authority doesn't have the funds to make a short version, so it hopes the U.S. firm will invest its own money in exchange for some of the profits from sales.

But only part 17, about the UN partition resolution, was translated into English for showing to TV officials and Jewish organizations abroad, Lapid said it was a "good thing" that the whole series wasn't sub-titled and translated into English, because of difficulties in selling the whole package abroad. He expects the English-language album just produced by Shikmona Press, with the cooperation of the Broadcasting Authority, to help promote sales of the series.

FIVE YEARS of research and production gave the world the epic 19-part Israel TV series on Zionism, *Pillar of Fire*, but the world isn't buying it.

The Broadcasting Authority spent an unprecedented \$1 million on it. The series, covering the history of Zionism from 1886 to 1948, was screened on Israel Television in 1981 and will be re-broadcast, beginning on Monday at 8 p.m.

When asked why the authority was not succeeding in selling the epic to stations abroad, its "father," scriptwriter and series editor Yigal Lossin, declined to comment. But now, apparently, a buyer has been found.

Authority director-general Yosef Lapid told *The Jerusalem Post* that the World Zionist Organization has agreed to buy the 19-part series for \$250,000 and to distribute it in three languages among Jewish organizations around the world. (In fact, negotiations have not yet been concluded.)

Lapid said that foreign TV stations didn't bite, because they couldn't devote 19 hours of programming to the subject of Zionism. "They wouldn't broadcast 19 hours on the U.S. War of Independence on America TV

HY KALUS has had a 30-year relationship with Israel — always full of surprises.

When he first came from New York in 1953 to teach at the Cameri's theatre school, it closed. After turning down offers to become artistic director of the Cameri or Habimah, he finally decided to say "yes" to Habimah in the late '60s. He arrived from New York to find that the job had been given to someone else.

Kalus — trim, energetic, with greying frizzy hair and thick glasses — keeps coming back for more, but he's no masochist. He likes his success record here.

His first production was an anti-McCarthy play called *The Traubmakers* at the Cameri in 1953; after that Habimah invited him to do *A View from the Bridge*. At the time it was "betrayal of the worst kind" to go to another theatre, but the practice of freelance directing eventually became accepted in Israel.

He stayed for 13 years, acquired "a wife (actress Zehava Hess) and kids and more suitcases" and then returned to New York. But even since 1966 he has directed at least one production a year in Israel, and sometimes two or three — at the Cameri, Habimah and occasionally the Haifa Theatre.

Among his productions here: Miller's *The Crucible*, Anouilh's *Beckett*, and "the longest-running production of *Virginia Woolf* anywhere in the world." Now he is in Tel Aviv for *Quartermaine's Terms*, by Simon Gray, which has just opened at the Cameri.

It depicts the lonely, trapped lives of teachers of English in a school for foreign students in Cambridge. Kalus describes it as an attempt at a "Chekhov comedy" — the "it-hurts-when-I-laugh" variety. So far the critics have been friendly about the production, but less enthusiastic about the text than he is.

HIS SUCCESS RATE elicits respect, perhaps envy — and reservations in some circles because he never does "native" Israeli works.

Coming back for more

CURTAIN CALL/Marsha Pomerantz



Theatre director Hy Kalus... a success rate that elicits respect

(Except for Ephraim Kishon's *Hak'tuba*, and Kishon is in a category of his own.)

What are his considerations for choosing a play to do here? Mainly "whether you can cast it, working with closed companies." He dismisses the criticism of "importing" plays, mentions his successes with *All My Sons* and Gorky's *The Lower Depths*.

"These so-called foreign plays are not so foreign. If they were, they wouldn't go..." His decibel level has jumped — and probably his blood-pressure with it.

He believes that good theatre is good theatre and people are people and "any play that says something about our relationship one to another goes, dammit" and by this time he has worked himself up into a froth, pitching off the comfortable couch in the Cameri lounge and col-

lapsing onto his knees. "Excuse me for shouting," he says. "I'm hyperthyroid."

He's an actor, not unaware of the floor-to-ceiling mirrors across the room; he is also an artist looking for "insight, not answers" — for any clue about "what to do in this snap-of-the-finger millisecond that we're on this earth."

HE DOESN'T FEEL that original Israeli works provide much of a clue. He is searing in his criticism, but won't be quoted on specifics: you can't hand out the dirty laundry and expect cooperation in the future.

Asked what he thinks of playwrights cooperating with a director early in the writing process, he says that might help, provided the director knows what the writer doesn't about the demands of the stage. He cites the precedents of

Kazan working with Arthur or Tennessee Williams.

But writing has to be "fe kishkes" and not "what th around here" good dialogue has a few choice words "group therapy on the stag says "one should demand bet better and more and more : go in for the quick fix."

About the training of you tors in this country: "Training do with craft. Education ha with the ability to apprecia understand in depth what reading... Most young actor into are uneducated. How read Chekhov or Ibsen knowing Dostoyevsky?"

"They can be teapots, che trains and kiosks, but to be a normal human being who ca girl's hand in his hand and gently, sweetly, if she'll tonight — that I don't see."

We didn't discuss whether normal human beings do t more, but he had made his

WHAT ARE THE par problems of working in Aside from finding good ac mentions translation and, of budgeting.

"Budgets are a pr everywhere, but here it's a c of how much a given am money will buy — at availability of the things y for a production."

For his *Beckett* at Habima was a matter of swords. "Y just go around the corner costume house and get the you can't have wooden swor ping on the stage." In t ticular case, the problem w by going to Ta's, the mili dustries. "They build arm tanks. For us they made sv

You have to make so promises, he says, but th limits to that if you want "a professional work on the st

"It calls for a lot of the th country requires — inclu genuity." All in all, it's "i teresting than going arou ner" for ready-made soluti

Aural type

By ALEC ISRAEL/Jerusalem Post Reporter

Sitting across the room from her in Tel Aviv, I feel a warmth that makes my cheeks flush and my palms sweat.

"Are you healing me?" I ask. "Yes," she says, "don't worry, it's good for you."

She explains that she can diagnose illness by simply looking at a person; once she locates a source of trouble, she projects "energy" to restore balance in the diseased organism and liberate its own healing forces.

This I find impressive. After all, heat is something that can be felt. Even those who believe that life's forces should queue up to be tested in a laboratory have succeeded in photographing the abnormal emissions of "light" from the hands of psychic healers.

PSYCHIC since she was three years old (she often startled her family with her precognitive insights), Yemima began healing only two years ago, when friends asked her for help and insisted that she could heal them. At first she was dubious,

not believing that she could do it. "There was a woman with a badly swollen knee which she couldn't bend," she recalls. "After six healings, the swelling disappeared completely."

"When I sit in front of someone I concentrate on the forehead and the eyes, and fix my gaze on the point between the eyes. I see the other person's energy body — light, points of light and bars, dots and lines indicating irregularities. I build up and liberate the person's energy. From the face I can see what the person's problem is. If there's illness I can see it, and also the cause of it."

I have heard that she does graphological analysis, too. Does she diagnose disease from handwriting?

Sometimes, she says. But the piece of paper with writing on it is usually just a point of departure. Her insights come clairvoyantly, she insists. Nevertheless it helps to have something to hold on to — the client thinks the handwriting is what gives her the information, but it isn't

that at all. She laughs. She is c delightful. "When I'm n concentrating on someone, I s I become absolutely r nothing out of the ordinary.

She enjoys dancing, she s to emphasize her nor Discotheques and go-go. Nothing ponderous. She s geometric forms. The ima sees. Symbolic. The inter of the images is up to t person. There's a problem I admits, since one can att wrong interpretation to ar But usually she guides the to the correct interpretation.

Plants respond to her energy. They move under h "Look," she says, placing four or five inches above plant. Nothing happens. N ment. She is disappoint credulous. She tries aga nothing. "Perhaps my presence i hibiting factor," I suggest. "Perhaps," she says, s continuing to try. Sudd stem begins bobbing up ar quite rapidly.

"Can you also bend m ask, prepared to believe anything by now.

"No," she says. Confronted with this evidence the hard of b should perhaps be consid dicapped, like the hard of

Perfection as an obstacle

MUSIC REVIEWS

BORIS BERMAN must be treated with greatest respect, because of his artistic integrity. His performances are dedicated both to his art and to his audiences, for whom he presents interesting, unusual and demanding programmes. Berman's mastery of programming puts him in a category all his own.

This recital seemed characteristic of Berman's artistic credo. He opened with a most unusual Haydn, he continued with the huge Brahms-Handel variations at the centre of the first part. This was followed by works by two great Russians, a sincere and justified tribute to his roots.

Berman stressed the romanticism of Haydn's first movement with highly expressive phrasing and a mellow and singing tone. In the Brahms, Berman tackled the stupendous work with perfect technique, precision and textural clarity. It provided a constant reason to rejoice.

Shostakovich's set of Preludes and Fugues, in which the composer pays tribute to Bach but which are also marked by his unmistakable Russian soul, were another musical experience. And then, as if holding to the last the most original and personal expression, Berman gave us the two Scriabin sonatas — No. 2, still under the spell of Chopin, and No. 4, which sets a new course.

A tremendously demanding programme had become a great evening by a great artist.

BENJAMIN BAR-AM

CHOIRS IN CONCERT — Choral de Notre Dame and Choral de Severs (France); Polifonia Miguel Peto (Spain); Rand Afrikaans University Choir (South Africa); Trinity University Choir (U.S.) and the Orish Choir and Western Galilee Choir, Israel (Jerusalem Theatre, December 25).

SINCE 1974, choirs coming from abroad on a Christmas pilgrimage to Bethlehem have been getting together in an evening at the Jerusalem Theatre arranged by the Tourism Ministry. This year five visiting and two Israeli choirs produced a mini-marathon, involving some 275 people, chorists and conductors, in an event with a most friendly atmosphere (and without the stress a competition entails) with the pleasant additions of emcee Danny Ziff.

The Spanish choir, directed by Emilio Reina, sang some old, very attractive songs beautifully, in a rich and sonorous presentation despite its small number (27).

The 55-strong youthful choir from Severs, conducted by Gilbert Villedieu, interpreted three settings by Francois Poulenc. They were fairly interesting in character, unlike the rather boring, sentimental Faure piece offered by this group of clear, if not too homogeneous, voices.

A mighty 40-voice choir from Texas, led by Bruce Chamberlain, offered two Haasler (16th century) pieces and two by contemporary American composers (Berger and Georg Schumann) and two Christmas carols. They were quite well-balanced, with strong dynamic

contrasts and liveliness their contribution.

The very young singer Choral de Notre Dame, directed by Lucie Fiyo, ch interpreted several songs season and others and earn applause, with their cou from Severs giving the 35 c standing ovation.

Finally, the Rand A. University Choir (65 provided religious song traditional and Renaissance and ended with a native song. Led by Chris Swaner showed well-rounded sonor careful study. The choir participate in several I programmes next week.

The Israeli contribution, point of view of repertoire stimulating and interesting, choirs showed up a wea local choirs — lack of voe and character and the hom of tone quality that comes patient training for yes Western Galilee Choir, and Seifert, presented Partos' (an unorthodox setting by E mixed with extra-musical Slovene folk songs set by B tok and three different trad Dror Yikra in the excellen ment by Yeheskiel Braur from the above criticism, i well-done and presented wi commitment. The Orish Ch Kiryat Ono, conducted. Epstein, sang an *Adon* (Salamane Rossi, a set Bruckner and folkloristic Dov Carmel, Gil Aldema manuel Amiran.

The idea of mixing v visiting choirs is sound, and our directors and instruce learn much from listeni foreign chorists. The i was surprisingly large, as t musical events took place same time in Jerusalem. T ing provided a feast of a available during the regulu and some of it had great i

YOHANAN I

Bonds shine as bank shares fade

There was little end-of-the-year cheer in the halls of the exchange on the last trading day of the calendar year yesterday. Most people will remember the two major events. The one was the collapse of the Rieger empire, which triggered a sell-off in the market. The other is October 6, the end of the "bank stabilization" era and the start of the bank share crisis, which ended in the government guaranteeing those shares.

The share market certainly was not helped by the gloomy expectations surrounding the budget proposals for 1984, which will be announced today by Finance Minister Yigal Cohen-Orgad.

Oil shares, if the general atmosphere in the market had not been so gloomy, should have taken a big upward jump. In the course of the week one kept hearing about possible oil strikes at the Karmon 3 and Gurim 4 drill sites. But yesterday the index for oil shares fell by 0.54 per cent.

Industrial shares saw their sectoral index go down by more than one per cent. Elbit Computers, a recent good mover, continued to ease as it dropped 4.3 per cent, while Elron traded unchanged.

Tel Aviv Stock Exchange

By JOSEPH MORGENSTERN

The fertilizer 0.1 shares were 9.8 per cent lower. Pri-Ze fell by a full 10 per cent. Haifa Chemicals moved against the trend and picked up 5.4 per cent. Clal Electronics was down by 6 per cent. Rim 0.1 was 5.9 per cent lower, while the 5 shares were down 10.2 per cent.

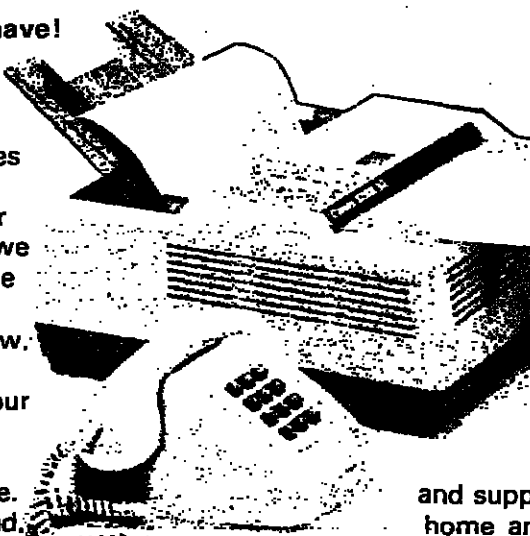
Investment company issues were badly hit as prices reeled downward. While the control over the Israel Corporation continues to remain in doubt, the price of its shares continued to fall. The 1 share fell by 6.8 per cent while the 5 shares were down by 8.6 per cent. Clal Israel, which seeks control over the Israel Corporation, saw its 10 shares fall by 7.9 per cent, while the 50 shares were 7.3 per cent lower.

Those who searched for gaining shares could find some encouragement in the insurance sector. Insurance issues were the only ones able to point to a gaining session.

The Tel Aviv Stock Exchange concluded the year's activities yesterday and will not reopen until Monday, January 2, 1984. The banks will be closed on Sunday to close their accounts for 1983. Starting next week, share trading will be done on the basis of specific areas of activity. Textile related issues, for instance, will be divided into fashion manufacturers which will trade in one group while weavers, spinners and dyers will trade in another.

HAVE YOU HEARD OF FACSIMILE?

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DOLLAR PAZ AND "EURO PAZ" PRICES (FOR 29.12.83)			
CURRENCY BASKET	PURCHASE	SALE	
"DOLLAR PAZ", 1 UNIT	331.6976	335.0314	
"EURO PAZ", 1 UNIT	388.4143	392.3182	
S.D.R.	111.9302	113.0552	

FOREIGN CURRENCY EXCHANGE RATES (FOR 29.12.83)			
ENTRY	CURRENCY	CHEQUES AND TRANSACTIONS	BANKNOTES
		PURCHASE, SALE	PURCHASE, SALE

A	DOLLAR	107.2312	108.3089	106.1500	109.9300
AT BRITAIN	STERLING	187.4920	185.5216	182.4300	187.8600
MANY	MARK	18.0784	18.4712	18.6800	18.0600
NCE	FRANC	12.9754	12.8955	12.9000	13.0900
LAND	GULDEN	14.7907	15.0798	14.3800	15.0600
ZEELAND	FRANC	40.0423	40.5353	40.5400	40.2800
WAY	KRONA	13.2256	13.4595	13.0100	13.6600
DEN	KRONA	13.4452	13.9044	13.5200	14.1900
MARK	KRONA	10.7678	11.0965	10.5400	11.0600
AND	MARK	18.1210	18.5052	17.9000	18.7800
DA	DOLLAR	62.0411	60.8576	64.4400	66.1600
ALA	DOLLAR	62.3662	60.7994	61.4500	63.1300
AFRICA	RAND	8.7904	8.8142	7.9500	9.1300
YEN	YEN	1.147	1.1371	1.1400	1.1300
YEN	YEN	1.147	1.1371	1.1400	1.1300
YEN	YEN	1.147	1.1371	1.1400	1.1300

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Commercial Banks

Bank	Volume	Change	% change
IDB p	72300	-700	-1.0
IDB B	3214	-10	-0.3
IDB R	3300	-40	-1.2
IDB p A	19360	-40	-0.2
IDB p 11	2000	100	+5.0
Union 0.1	2390	422	+17.7
Discount Br	4100	121	+2.9
Discount R	4100	121	+2.9
Discount p 1	1275	6073	+476.3
Discount B	3000	19	+0.6
Mizrahi B	1322	3716	+281.1
Mizrahi R	1330	193	+14.5
Mizrahi p 11	2050	80	+3.9
Mizrahi p 12	790	342	+43.3
Mizrahi p 13	1275	6073	+476.3
Mizrahi p 14	575	219	+38.1
Mizrahi p 15	270	1	+0.4
Mizrahi p 16	124	977	+788.0
Mizrahi p 17	2790	1	+0.0
Mizrahi p 18	2180	4153	+190.5
Mizrahi p 19	2190	638	+29.1
Mizrahi p 20	8140	10	+0.1

Land, Real Estate, Citrus

Bank	Volume	Change	% change
Oren	123	340	+2.0
Oren p 1	140	187	+1.1
Oren p 2	151	19	+1.3
Oren p 3	81	7	+8.5
Oren p 4	81	7	+8.5
Oren p 5	81	7	+8.5
Oren p 6	81	7	+8.5
Oren p 7	81	7	+8.5
Oren p 8	81	7	+8.5
Oren p 9	81	7	+8.5
Oren p 10	81	7	+8.5
Oren p 11	81	7	+8.5
Oren p 12	81	7	+8.5
Oren p 13	81	7	+8.5
Oren p 14	81	7	+8.5
Oren p 15	81	7	+8.5
Oren p 16	81	7	+8.5
Oren p 17	81	7	+8.5
Oren p 18	81	7	+8.5
Oren p 19	81	7	+8.5
Oren p 20	81	7	+8.5

Mortgage Banks

Bank	Volume	Change	% change
Adanim 0.1	960	31	+3.2
Gen. Mortgage	1305	80	+6.1
Gen. Mortgage	1356	10	+0.7
Carmel	1575	10	+0.6
Carmel p 1	145	23	+16.5
Carmel p 2	145	371	+255.9
Carmel p 3	1001	3	+0.3
Carmel p 4	890	1	+0.1
Carmel p 5	890	1	+0.1
Carmel p 6	890	1	+0.1
Carmel p 7	890	1	+0.1
Carmel p 8	890	1	+0.1
Carmel p 9	890	1	+0.1
Carmel p 10	890	1	+0.1
Carmel p 11	890	1	+0.1
Carmel p 12	890	1	+0.1
Carmel p 13	890	1	+0.1
Carmel p 14	890	1	+0.1
Carmel p 15	890	1	+0.1
Carmel p 16	890	1	+0.1
Carmel p 17	890	1	+0.1
Carmel p 18	890	1	+0.1
Carmel p 19	890	1	+0.1
Carmel p 20	890	1	+0.1

Financial Institutions

Bank	Volume	Change	% change
Shilon	133	219	+16.5
Shilon p 1	876	14	+1.6
Shilon p 2	746	2	+0.3
Shilon p 3	746	2	+0.3
Shilon p 4	746	2	+0.3
Shilon p 5	746	2	+0.3
Shilon p 6	746	2	+0.3
Shilon p 7	746	2	+0.3
Shilon p 8	746	2	+0.3
Shilon p 9	746	2	+0.3
Shilon p 10	746	2	+0.3
Shilon p 11	746	2	+0.3
Shilon p 12	746	2	+0.3
Shilon p 13	746	2	+0.3
Shilon p 14	746	2	+0.3
Shilon p 15	746	2	+0.3
Shilon p 16	746	2	+0.3
Shilon p 17	746	2	+0.3
Shilon p 18	746	2	+0.3
Shilon p 19	746	2	+0.3
Shilon p 20	746	2	+0.3

Insurance

Bank	Volume	Change	% change
Arzyeh	270	52	+19.3
Arzyeh p 1	3020	21	+0.7
Arzyeh p 2	420	8	+1.9
Arzyeh p 3	132	15	+11.4
Arzyeh p 4	600	2	+0.3
Arzyeh p 5	180	3	+1.7
Arzyeh p 6	180	140	+77.8
Arzyeh p 7	100	23	+23.0
Arzyeh p 8	236	112	+47.4
Arzyeh p 9	131	38	+29.0
Arzyeh p 10	1395	74	+5.3
Arzyeh p 11	425	35	+8.2
Arzyeh p 12	457	64	+14.0
Arzyeh p 13	443	78	+17.6
Arzyeh p 14	530	2	+0.4
Arzyeh p 15	202	7	+3.5
Arzyeh p 16	73	30	+41.1
Arzyeh p 17	583	269	+46.1
Arzyeh p 18	270	200	+74.1
Arzyeh p 19	1529	10	+0.7
Arzyeh p 20	890	28	+3.1
Arzyeh p 21	350	4	+1.1
Arzyeh p 22	134	25	+18.7

Trade, Services & Utilities

Bank	Volume	Change	% change
Galei Zohar	304	19	+6.2
Galei Zohar p 1	142	45	+31.7
Galei Zohar p 2	200	25	+12.5
Galei Zohar p 3	1360	67	+4.9
Galei Zohar p 4	310	81	+26.1
Galei Zohar p 5	118	25	+21.2
Galei Zohar p 6	318	22	+6.9
Galei Zohar p 7	198	238	+119.7
Galei Zohar p 8	6500	2	+0.0
Galei Zohar p 9	3600	4	+0.1
Galei Zohar p 10	461	19	+4.1
Galei Zohar p 11	360	14	+3.9
Galei Zohar p 12	220	314	+142.7
Galei Zohar p 13	347	50.1	+14.4
Galei Zohar p 14	490	3	+0.6
Galei Zohar p 15	123	30	+24.4
Galei Zohar p 16	27	829	+3070.0
Galei Zohar p 17	1500	63	+4.2
Galei Zohar p 18	1190	55	+4.6
Galei Zohar p 19	381	6	+1.6
Galei Zohar p 20	301	1730	+574.8
Galei Zohar p 21	1730	178	+10.3
Galei Zohar p 22	380	149	+39.2
Galei Zohar p 23	211	9	+4.3
Galei Zohar p 24	148	50	+33.8
Galei Zohar p 25	90	11	+12.2
Galei Zohar p 26	415	12	+2.9
Galei Zohar p 27	249	277	+111.3

Investment Companies

Bank	Volume	Change	% change
Union	366	50	+13.6
Union p 1	1330	91	+6.8
Union p 2	171	200	+117.0
Union p 3	171	200	+117.0
Union p 4	171	200	+117.0
Union p 5	171	200	+117.0
Union p 6	171	200	+117.0
Union p 7	171	200	+117.0
Union p 8	171	200	+117.0
Union p 9	171	200	+117.0
Union p 10	171	200	+117.0
Union p 11	171	200	+117.0
Union p 12	171	200	+117.0
Union p 13	171	200	+117.0
Union p 14	171	200	+117.0
Union p 15	171	200	+117.0
Union p 16	171	200	+117.0
Union p 17	171	200	+117.0
Union p 18	171	200	+117.0
Union p 19	171	200	+117.0
Union p 20	171	200	+117.0

Oil & Oil Exploration

Bank	Volume	Change	% change
Delek	194	193	+0.5
Delek p 1	108	14	+12.9
Delek p 2	653	79	+12.1
Delek p 3	135	56	+41.5
Delek p 4	70	188	+268.6
Delek p 5	108	776	+718.5
Delek p 6	108	776	+718.5
Delek p 7	108	776	+718.5
Delek p 8	108	776	+718.5
Delek p 9	108	776	+718.5
Delek p 10	108	776	+718.5
Delek p 11	108	776	+718.5
Delek p 12	108	776	+718.5
Delek p 13	108	776	+718.5
Delek p 14	108	776	+718.5
Delek p 15	108	776	+718.5
Delek p 16	108	776	+718.5
Delek p 17	108	776	+718.5
Delek p 18	108	776	+718.5
Delek p 19	108	776	+718.5
Delek p 20	108	776	+718.5

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Ari Ruth
Editor and
Managing Director

THE JERUSALEM
POST

Erwin Frenkel
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Tevet 24, 5744 • Rabbi Awwal 24, 1404

The only choice

WHEN COUNTRIES go berserk, as Israel did under the stewardship of Menahem Begin, Ariel Sharon and Yoram Aridor, there is no guarantee that they can correct their course without grave convulsions. For in the hands of strong and popular leaders, even irrational policies gain the stamp of legitimacy and the accolades of a trusting public. And when the job of repair devolves upon a successor government, like that of Mr. Shamir, which cannot simply go to the public and candidly explain that the past was a mistake, the momentum of that past impedes repair. Yet such delay promises only to deepen the inevitable convulsion.

This process has already manifested itself regarding Israel's war in Lebanon. Its full force is now emerging regarding Israel's economic condition as well.

No thinking Israeli can today deny the necessity of reducing the level of national expenditure by the citizenry and by the government. However, all the many interest groups want the reductions to be effected everywhere but in their own sector. Thus the government confronts an internecine battle amongst its ministries and constituent coalition parties — each of which wants to protect its bastion and its flag.

Even if the government succeeds in forging a common policy, with sufficient teeth left in it to hold a promise of economic repair, it will then still have to confront the countervailing power of organized labour. That power too is only loosely disciplined, in the Histadrut, where the constituent interest groups also give priority to the protection of their own.

What the country faces, therefore, is not simply an economic crisis that can be given to economic manipulation, but a political and social crisis, namely a fundamental challenge to the cohesiveness of the nation. In this circumstance, Mr. Cohen-Orad can only supply a recipe for reform, he cannot hold the country, let alone the cabinet, together to implement it. Mr. Shamir's problem is no different. Even if he momentarily holds his ministers together, he still faces the challenge of binding the nation as a whole around a policy of self-sacrifice, dislocation and unemployment.

With his narrow parliamentary base, Mr. Shamir's prospects appear dim. Nor would the prospects be better if he were to be replaced by a new, though narrow, coalition headed by the Opposition Labour Party.

Only if the two major parties, Labour and Likud, join together in a common programme can there be any prospect for genuine economic reform based on national consent. That could occur before elections or after. The political needs of the nation, the need to free the nation from the grip of the directions, slogans and symbols settled upon it by the Likud, which have brought Israel to its present state, would dictate elections. But the dire economic needs, which require urgent action, mitigate against the delay and financial costs of elections.

The imperative of the hour, therefore, is national rescue jointly by the two major political parties. For the sake of the nation, Mr. Shamir should immediately take the initiative to put such a new government in place.

Shock for UNESCO

THE NEWS that the U.S. has served notice it will pull out of UNESCO within a year is of some direct interest to this country. One of the American complaints concerning intolerable politicization in this specialized United Nations agency has to do with the fact that it has been treating Israel like mud.

To be sure, Israel is not at the top of Washington's list of grievances. The U.S. bill of attainder is wide-ranging. In essence it states this: that whatever contribution UNESCO may have made in the past "by promoting collaboration among nations through education, science and culture," in recent years it has become an oversized and wasteful instrument of ideological domination run by an unholy alliance of Third World and Soviet bloc countries.

The most outstanding example of this trend has been UNESCO's proposed "new world information and communications order." Masked as an effort to free the developing nations from the monopoly of a handful of western news agencies, this "new order" has shaped up as the means whereby tyrannical governments could obstruct the free flow of information and keep their peoples in the dark.

Although in their final version the organization's "information guidelines" were amended under western pressure, the entire experiment has left a bitter aftertaste. Washington became convinced that, like the International Labour Organization before it, UNESCO could not be reformed from within, and that the only effective action was outright American withdrawal. This would deprive UNESCO of one quarter of its budget, and thus help concentrate its collective mind on the need to change its present anti-western, and especially anti-American, course.

For the moment, however, America is going it alone. No other western nation is planning to follow in its footsteps. Should Israel do so?

Israel cannot ignore its systematic abasement by UNESCO at the behest of the Arabs and the Soviets. The memory still rankles of this country's exclusion from any of its regional groups on the spurious grounds that, by excavating Jerusalem, it was altering the city's "historical features." Yet Israel's policy has been to insist on its right of membership in all international organizations, no matter how hard a life it may lead in them.

By withdrawing from UNESCO Israel would in fact be giving comfort to its enemies, who might welcome an opportunity to replace it with the PLO, now acting as an observer. Moreover, unlike the U.S., Israel could not be certain that it would be allowed to rejoin the organization at some future date.

Whatever the case, the issue of Israel's continued membership in UNESCO deserves to be authoritatively settled.

FINANCE MINISTER Yigal Cohen-Orad will probably discover today, when he presents the cabinet with the proposed budget for fiscal 1984, that the honeymoon is over.

Even before the cabinet meeting, some of his projected budget cut-back proposals, leaked to the media, triggered a hail of warning shots from Coalition ministers. One, for a year's freeze on new settlements in the territories, caused a political furore, and augured that today's budget debate would be stormy or that Cohen-Orad could choose to sidestep the more politically controversial issues.

Cohen-Orad will come to his fellow ministers at one of the worst possible moments in terms of persuading them to put his policies into practice. Not only is inflation running in the neighbourhood of 60 per cent for just the last three months, but there is also the unpleasant fact that wage earners and those who live on fixed allowances are finding it increasingly difficult to maintain themselves with the present effects of austerity.

The finance minister insists that his proposals are essential. Unless Israel reduces its balance of payments deficit by some \$1 billion, the country may find itself unable to get any credit abroad. For this reason, wages must fall by 12 per cent, and the standard of living by some 8 per cent.

In the coming year, as the recession deepens, more than 30,000 workers will be added to the current 60,000 jobless. Government spending is to be reduced by some \$1 billion, and subsidies for basic commodities will be drastically cut.

The problem with these plans is that they represent planning in purely technical economic terms. Socially and politically, Cohen-Orad's intentions are not only unrealistic, but they also more than suggest an immediate future of growing tensions and the breakdown of social and welfare systems that were built up over years.

When the cabinet begins to discuss the budget, the finance minister is not likely to get a pat on the back from either Deputy Prime Minister David Levy or from Labour Minister Aharon Uzan, who see their constituencies to be the urban blue collar workers and low-income groups.

Levy already has reason to create trouble for the government of

Economic minefield

By AVI TEMKIN

Yitzhak Shamir. Disappointment over his unsuccessful bid to get the Foreign Ministry portfolio may be translated into an attack on that government's weakest flank, the economy. In addition, he may believe that someone with authority should speak up about alienating traditional Herut voters.

As for Tami, which effectively blocked most of Yoram Aridor's plans last August, a stand opposing the proposals of Cohen-Orad may be an asset come general elections. Tami's constituency has been hurt by Treasury policy, and to defend what the finance minister has in mind may prove to be an impossible mission.

Cohen-Orad is skating on thin ice, and not only politically. He is trying to make wage-earners pay the price of stabilizing the economy. A policy that results in wage erosion of 40 to 50 per cent in three months, when the finance minister openly encourages industrialists and banks,

is justly regarded by broad sectors of the population as "unfair."

THERE IS a basic economic flaw in Cohen-Orad's plans — disregard for inflationary developments. He admits that in his outlook for the coming months, inflation is of secondary importance. No one should be surprised if the pace of price increases will soon force him to take urgent, stop-gap measures.

No economy can function properly when the rate of price increases reaches 15 to 20 per cent per month. Such inflation is significant not only in terms of numbers, but beyond a certain point, it even assumes a character of its own.

The consensus among economic observers, both within and outside the government, is that inflation during 1984 will hover around the 300 per cent mark. There are economists who predict that prices will go up 400 per cent the coming year.

At such levels of inflation, demands for a complete revision of payments arrangements will be made. The cry will grow for calculation of price indexes two or four times a month, instead of once a month, and this will become a political question.

As inflation increases, the Treasury's revenue from taxes will probably decrease. This effect, found in almost every inflationary economy, has already begun to be felt in Israel, and there is a marked fear among State Revenue Administration officials that actual tax revenue will fall far short of forecasts.

If such a development comes to pass, the finance minister will have to return to the cabinet for further budget cuts — assuming he gets the cuts he is now asking for. By that time, both the economy and the government may be in such straits that a request for further cuts could lead to a cabinet crisis, or to a complete breakdown of economic policy. Cohen-Orad may find that he, like Yoram Aridor, will be made the scapegoat for the economic failure of the government.

COHEN-ORAD FACES another potential opponent to his policy, one from his own Herut faction. He has made it clear that the establishment will have to "share" of budget cuts. Defence Minister Moshe Arnot said what he thinks a plans, one has only to see almost endless discussions in place between him and Aridor, to imagine what kind stakes the present finance n will face.

While Cohen-Orad cons. major point of his program an improvement in the balance payments, exports are often in reaction to changes in trends, and he may be over optimistic in his goal to achieve per cent reduction in import similar rise in exports. A influence here is the slow economic recovery in Europe.

Reducing imports will through reduced economic and at the expense of growth has to take into consideration output that will be lost economic slowdown. Isra experienced a recession-induced in imports in 1982 and 1983, causes the improvement balance of payments disarray with economic recovery. I no reason why this should n pen this time.

Economic policy is a fu, political and social realities as Israel is ruled by politics; want to keep troops in I who push settlement in p Bank, who cry foul at any initiative and see military might best way to communicate w Arabs, it is unlikely that any minister will have any alte but to make the standard c suffer as the price to be p economic viability.

No economic wisdom w when it must give way political priorities of the government. The scope for always be limited to welfare, health and other so vices. It may be that the crisis will make the public be derstand the old economic about guns and butter. You always afford them both.

The writer is the economic n, The Jerusalem Post

READERS' LETTERS

WORLD LAW

To the Editor of The Jerusalem Post Sir, — The two most dangerous myths in America today are that we can find security through more missiles, and that we can find security through eliminating missiles. Neither will prevent war. As part of any plan for lasting peace, we must strengthen the rule of world law by reforming the United Nations.

The UN needs a more accurate way of reflecting what the world truly wants, a better way of making up the world's mind, a simple accurate way of measuring what is politically and diplomatically possible, and thereby finding workable solutions to the disputes between nations which will always be with us.

The first step to a just UN is to give it a means to reach fair and acceptable decisions in dealing with threats to world peace.

Under a new system called the Binding Triad, developed by the Center for War/Peace Studies, important decisions of the General As-

sembly would still be adopted with a single vote but with three simultaneous majorities of those nations present and voting. The majority must include two-thirds of the members, nations representing two-thirds of the world's population, and nations representing two-thirds of the contributions to the UN budget. In this way, any resolution would have to be supported by most of the countries, most of the population, and most of the political, economic and military strength of the world.

Under this simple change, the 158 nations would have a reliable way to reach politically sound and fair decisions. No nation would have a veto, but no vote would reflect merely a majority of mini-states. Developing a way for the UN to make up its mind would be an important step toward world law, a world security system and meaningful disarmament.

MYRON W. KRONISCH, Treasurer, Campaign for UN Reform New Jersey, U.S.

PUTTING THE NATION FIRST

To the Editor of The Jerusalem Post Sir, — It seems that the stevedores in Ashdod and Haifa got all they asked for, caused havoc in the country's exports and millions of shekels of losses to the economy.

What is the use of cutting the budget and imposing new taxes trying to balance the budget if ultimately a strike or two wipes everything out in a short time?

In a few weeks the 30 per cent gain of the stevedores will be totally ineffective with accelerating inflation, and new demands will have to be made — by them or somebody else.

It is not the economic professors who are at fault but the general

public. We still have to learn the simple truth of responsibility and pride in our work — of advancing the nation and not ourselves. Because only by putting the nation first can we better ourselves in every sense.

E. SALZMAN

Ramat Hasharon.

In a letter that appeared in The Jerusalem Post of December 25 — "Voluntary Service" the telephone number that volunteers should use should read 067-72085 and not as published.

ALIYA ALIVE

To the Editor of The Jerusalem Post Sir, — I would like to refer to the letter by J. Jacobson, which appeared in The Jerusalem Post of December 14. If this reader was ever an olah, I believe he has forgotten how he came to Israel — one does not arrive spontaneously, aliya sometimes takes many years to arrange and plan prior to actually arriving in Israel.

Jacobson writes "Virtually most of the Jews in the world who want to live in Israel already live here." There is no doubt as to the falseness of this statement.

Many middle aged Jews dream of the day that they will financially be able to make aliya. Summer and yearly programmes teach youth about Israel, Judaism and Zionism, which undoubtedly promotes aliya, perhaps when these youth finish their studies. But a great push to aliya are those parents who have sons or if not all of their children and grandchildren living in Israel. Jerusalem. RANDI RAPHAEL

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